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Northrop Expands in Military Electronics

Westinghouse Sells Its Defense Sector To Help It Buy CBS

Compiled by Our Staff From Dispatches

PITTSBURGH — Westinghouse Electric Corp. has agreed to sell its defense and electronic systems business to Northrop Grumman Corp. for $3 billion in cash, the companies announced on Wednesday.

The deal, which is expected to close in the first three months of this year, will help finance Westinghouse's purchase of CBS Inc.

It also marks a trend toward increasing consolidation in the defense industry. Northrop Grumman, a leading defense contractor based in Los Angeles, was formed in May 1994 following the acquisition by Northrop of Grumman Corp. Later that year, Northrop Grumman completed its acquisition of the Vought Aircraft Co.

"This sale caps a challenging three-year period in the company's history," said Michael Jordan, chairman of Westinghouse . "Over this period, we have drastically shifted our business portfolio to focus on broadcasting."

Northrop Grumman will also assume $600 million in pension and other post-retirement costs for the employees of the business.

With completion of the divestitures, Westinghouse said, broadcasting will account for 45 percent of its approximately $10 billion in sales and nearly two-thirds of its earnings before taxes, interest and depreciation.

Westinghouse shares closed $1.125 higher at $18.25, while Northrop stock fell $2.75 to close at $62.

In December, Westinghouse had announced an agreement to sell the Knoll Group, its furniture-making subsidiary, for $565 million. Westinghouse had also said it would sell the defense electronics business, but it did not name the buyer or reveal the price.

The sale of the Knoll Group and the defense-related electronics business will give the company a combined gain of almost $4.2 billion. Westinghouse said the money would allow it to pay off more than 65 percent of the $5.4 billion it borrowed to pay for CBS.

The business Northrop Grumman will buy is the largest component of Westinghouse's Electronic Systems Group. The unit provided radar and other surveillance systems to the U.S. forces in every conflict from World War II through Desert Storm.

The deal drew a mixed review from the credit firm Moody's Investors Service Inc., which said it might downgrade all $740 million worth of Northrop Grumman debt. Despite the debt concerns, Moody's said the deal made good sense because it bolsters Northrop Grumman's small electronics business at a time when its aircraft construction business has been constrained by shrinking defense budgets.

(AP, Reuters, AFP)

Karsten Thi-Ihez/The Associated Press

U.S. engineers trying to pull equipment out of their flooded tents Wednesday on the banks of the Sava River, which separates Bosnia and Croatia.

U.S. Insists Serbs Free 16 Civilians In Bosnia

Issue to Be Raised With Milosevic as Peace Pact Violation

Compiled by Our Staff From Dispatches

WASHINGTON — Reacting to the first major test of the Dayton peace accords for Bosnia, the United States condemned on Wednesday the abduction of 16 Bosnians by Sarajevo Serbs as a violation of a cornerstone of the accords guaranteeing freedom of movement.

The State Department said it was protesting about the abduction to President Slobodan Milosevic of Serbia, one of the signatories of the accords that ended the Bosnian conflict.

"We're calling for their immediate release," said the State Department spokesman, Nicholas Burns, adding:

"We are making this known privately to the Bosnian Serb military commanders, and we're now making it known privately just in the next couple of hours to President Milosevic in Belgrade, and we very much expect that this call for the immediate release of these people will be met."

Mr. Burns, speaking after Bosnian Serbs said they would put some of the 16 captives on trial, declined to say what would happen if they were not released. With thousands of heavily armed troops flowing into the region, the Americans have the military authority to demand attention without spelling out intentions.

He said that Serbia, Bosnia and Croatia — parties to the Bosnia peace accords negotiated at Dayton, Ohio, in November — "have a fundamental obligation to implement and to enforce all aspects of that accord."

"There is no element of the accord more central to the civilians in Bosnia-Herzegovina than freedom of movement," he said.

Senior NATO officials expressed concern about the abductions but said they highlighted delay in organizing a 1,500-member UN police force to handle such civil matters.

Officials of the Muslim-led Bosnian government said the seizures were a breach of the freedom of movement provisions guaranteed by the Dayton accords. One official called them "terrorism."

The NATO ground commander, General Michael Walker, met with the mayor of the Serb-held Sarajevo suburb of Ilidza, where the 16 were detained, to discuss Bosnian government demands for their release.

Mayor Prstojevic Nedjelko told him that some detainees had been caught wearing military uniforms, had strayed from agreed roads or were black marketeering. He said some would be prosecuted.

The Bosnian government version is that the 16 were civilians trying to travel through Ilidza — a rebel Serb

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De Facto Succession At a 'Sensitive Time'

U.S. Sees Saudi Handoff as Final

By Robin Wright
Los Angeles Times Service

WASHINGTON — The transition of power in Saudi Arabia from the ailing King Fahd to Crown Prince Abdullah ibn Abdulaziz is widely assumed to be permanent, despite vehement denials from the desert kingdom, according to senior U.S. officials.

The de facto succession may be the most important since the death of Saudi Arabia's founder more than four decades ago, for the king and his half brother symbolize two starkly different trends within the world's largest royal family.

King Fahd is a former profligate playboy who became a modernizing leader with strong ties to the West but who has also tolerated serious corruption and bribery. Crown Prince Abdullah is a pious traditionalist who heads the National Guard and has strong ties to the Arab world.

"This is a particularly sensitive time for the kingdom," a senior Clinton administration official said on Tuesday. "Much hinges on perceptions about its stability, which is probably one of the big reasons the king decided to take this unusual step."

King Fahd, who suffered a stroke in late November, has not abdicated and, barring further medical complications, Crown Prince Abdullah is not expected to be given the title until the death of Saudi Arabia's fifth sovereign, the sources said.

But the king's health is now so precarious after bouts with heart problems, diabetes, obesity and lesser ailments that he is not expected to resume full duties even after a long recovery, much of which may be spent in southern Spain, they added.

"The Saudis do not do these kinds of things unless the king is not up to the job of handling the affairs of state," a senior U.S. official said. "This laid the groundwork for a transition."

Prince Sultan ibn Abdulaziz, the defense minister and third in line to the throne, is a full brother of King Fahd; they are two of the "Sudeiri seven" sons of the same mother.

King Abdulaziz ibn Saud, the warrior king who united Bedouin tribes to create Saudi Arabia, was survived at his death in 1953 by 43 sons and even more daughters from more than 20 wives. The royal family now boasts some 6,000 princes.

Agence France-Presse

The U.S. defense secretary, William Perry, waving to troops in Tuzla.

Where'd the Profits Go?

Payouts Fell, Investments Rose

By Floyd Norris
New York Times Service

NEW YORK — American companies, though overflowing with record profits in 1995, have generally decided not to pay out large increases to their shareholders and workers. Instead they have plowed more money back into their businesses and setting aside a lot for a rainy day.

While more American companies raised dividends in 1995 than in any year since 1981, the increases did not come close to keeping up with rising profits. As a result, it appears that corporations paid out a record low proportion of their profits to shareholders.

"In terms of profits, dividends are rather sparse," said Arnold Kaufman, the editor of The Outlook, a newsletter published by Standard & Poor's, which calculates dividend figures. But he said that with stock prices soaring, shareholders have not been complaining and added that he thought companies "rather like the flexibility" provided by not devoting a lot of their profits to dividends.

If shareholders saw small gains, so did employees. Government figures indicate that compensation expenses for American business, including both wages and benefits, rose about 2.7 percent last year, the lowest for any year since those data began to be gathered in 1981.

Business also succeeded in bringing down its cost of health care, which fell for the first time since 1981, according to the Labor Department. For American workers, the stagnant paychecks came atop a wave of insecurities caused by countless job cutbacks in American in-

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Prosperous New Year?

Asia's Markets Hope for Revival

By Kevin Murphy
International Herald Tribune

HONG KONG — Three years is a long time in the financial markets, and in Asia's volatile markets, it is an eternity.

So it was only natural that when share prices shot up throughout the region Wednesday, investors and analysts took hope that the coming year would be a repeat of 1993, when money poured into Asia's stock markets.

Hong Kong's Hang Seng index surged nearly 2 percent to a 22-month high, and Thai stocks gained more than 3 percent. Markets from Manila to Wellington also posted gains of more than 2 percent Wednesday on signs that foreign investors had decided to put substantially more money into the region for the year ahead.

At least that is a message from many Wall Street analysts: After record-setting rises on American markets, it is time for investors to send money abroad, especially to Asia.

"A lot of the buying today came in the afternoon, which suggests the Europeans, not the Americans, were behind today's rally," a fund manager with a major Hong Kong bank said.

With the Dow putting on 60 points on Tuesday, "Asia's not that exciting right now to them, but they will come back over time," the fund manager said.

Driven by a mixture of anticipation and pent-up buying from the holiday break, Singapore's Straits Times index rose 2.1 percent, to 2,306.21, its highest level since November 1994. Malaysia's Composite index gained 2.7 percent, to

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AGENDA

Freedom Alliance Wants Dini Out

Dow Jones	Trib Index
Up	Up
16.62	0.68%
5194.07	133.86

The Dollar

New York	Wed. close	previous close
DM	1.4465	1.4372
Pound	1.5514	1.5545
Yen	104.945	103.915
FF	4.9345	4.9061

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ROME (Reuters) — The center-right Freedom Alliance called Wednesday for the removal of Prime Minister Lamberto Dini's government next week, when Parliament meets to decide the country's future. Party leaders in the coalition, headed by former Prime Minister Silvio Berlusconi, agreed that Mr. Dini's 11-month-old unelected government had to leave.

Taiwan Official Seeks U.S. Visa

WASHINGTON (Reuters) — Taiwan has requested a U.S. visa for Vice President Yuan-zu Li, raising the prospect of another potential diplomatic confrontation between Washington and Beijing, American officials said Wednesday. A Taiwan spokesman the visa is for a refueling stop on the way to Guatemala.

Newsstand Prices

Andorra	10.00 FF	Morocco	14 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	£E 5	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Greece	350 Dr.	Tunisia	1,250 Din
Italy	2,800 Lire	Turkey	T.L. 60,000
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	US$ 1.80		

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In a First, U.S. Offers an Official Toast to a Drink With Meals

By Marian Burros
New York Times Service

WASHINGTON — In a new set of dietary recommendations, the federal government has acknowledged for the first time that consuming some alcohol can be healthful.

And for the first time, the government also endorsed the healthfulness of a vegetarian diet, urged people to exercise and warned them not to gain weight as they age.

But there was very little change in the overall basic principles of the recommendations, known as the Dietary Guidelines for Americans. They continue to suggest a diet low in fat and high in complex carbohydrates, like grains, vegetables and fruit.

The guidelines, updated every five years by a joint committee of the Agriculture Department and the Department of Health and Human Services, are significant because the government uses them to plan federal food programs and because private industry uses them in dispensing nutrition information.

The new guidelines do not encourage people to drink and they warn that too much alcohol can be harmful. But they also say that accumulating evidence suggests that moderate drinking may lower the risk of heart attacks and that "alcoholic beverages have been used to enhance the enjoyment of meals by many societies throughout human history."

This statement is a significant departure from the 1990 guidelines, which said that "drinking has no net health benefit."

Even while giving the green light to moderate consumption of alcohol with meals — no more than one drink a day for women and no more than two for men — the guidelines caution that higher levels of alcohol intake can raise the risk of high blood pressure, stroke, heart disease, certain cancers, birth defects, suicides, violence and accidents.

At a news conference announcing the new guidelines, Dr. Philip Lee, assistant secretary of health, said: "In my personal view, wine with meals in moderation is beneficial."

And Donna E. Shalala, secretary of health and human services, says there is a further about-face in the guidelines. They finally admit, she said, "what most of us have known all along" — food is not just fuel, it is one of life's greatest pleasures.

Class Struggle / **A Study in Discrimination**

In Rural China, School for Girls Ends at Front Door

By Patrick E. Tyler
New York Times Service

YOUYAN, China — One way to calculate the lamentable state of rural education in China is to tally up the number of girls who are not in class.

Liang Bangfen, who at 16 has finished only two years of school, is not among the 100 students who leave Youyan, or Greasy Smoke Village, on foot each morning for the 40-minute walk over a desolate landscape to the Dongwang School in Guizhou Province in southwestern China.

This village of 405 sends only four girls to school each day.

"So many families think the girls are not important," said Liang Jinfu, 53, the village chief, who is a study in patched clothing and peasant hospitality as he guides a visitor up and down the familiar slopes where he watches over 93 families whose lives are tethered, precariously it seems, to a mountain that yields so little sustenance.

"In the whole village, only a few girls are in school," Mr. Liang added, a little embarrassed.

Though China is making significant strides in improving rural education, the plight of girls remains a tragic reality among the country's 900 million peasants.

"Girls at 5- to 6-years-old begin a life of farm work," said Hu Qikun, a teacher at the school, where the educational materials are tattered and the teachers must rely on the charity of local farmers for their food.

China under communism has done more to protect the health of women and girls and to bring women into the work force than most developing countries. But in rural China, especially among the country's 55 minorities, girls continue to fall behind in education.

And education only reflects the larger problem facing women in China. The traditional Chinese preference for sons, the practice of investing more resources in them as heirs, has contributed to the cultural denigration of girls, to illiteracy and to the inescapable impoverishment of women as they grow older.

Underscoring the disparity, a 1992 population study asserted that while only 6 percent of 15- to 19-year-old Chinese were illiterate by the late 1980s, 70 percent of them were women.

Many experts say the figures are no better now. Earlier this year, the State Education Commission estimated that China had nearly 10 million school dropouts, most of them girls, and this number may grow as China's population swells by another 100 million by the end of the decade.

Because public schools charge fees, private charities like Project Hope have raised millions of dollars to help pay tuition for girls in poor rural areas. But millions more are beyond the current reach of government and private assistance.

The 100 or so school-age girls who could be going to class from this village tend the water buffaloes that forage lazily on the hardscrabble mountainsides, or feed the pigs and cows that are among a family's most valued possessions.

Most days, Liang Bangfen can be found just outside the village on one of the narrow paths that have been sliced into the limestone terrain. She wears a large, hand-woven basket with straps. She has been filling it with grass for the family pig.

"We don't have any money," she said. "That's why I could only finish the second grade."

Patrick E. Tyler/The New York Times

Preferential treatment for sons is evident in this classroom in Youyan, China, a rural village that sends only four of its girls to school.

Across a valley of rocky terraces, all hand-hewn by an unimaginable expenditure of labor, are other villages whose inhabitants exhaust their energy tilling the thin layer of red clay soil that grudgingly yields a measure of corn, rice and wheat each year.

At the nearby village of Yang Shang, Liang Yuqin, 10, also does not join the boys who leave for school each day. "I really want to go and I might go next semester if my family has the money," she said hopefully.

Teacher Hu, as he is called in a sign of respect, even offered to pay the girl's tuition, $6.10 a semester. But the father demurred because he is planning to move his family to neighboring Guangxi Province to rent a fertile piece of land and raise livestock. But as migrants trying to make a better life, the Liangs cannot easily put their daughter in the local schools in Guangxi, so Liang Yuqin will help raise chickens and pigs.

Her mother has already gone ahead. And on one of her trips from Guangxi, she carried the pretty violet jacket that Liang has worn every day since.

"Maybe when they return, we can get her into the school," Mr. Hu said of the girl. For him and the other teachers at the Dongwang School, life has its own hardships. Each day, as a rooster crows the dawn, the first teacher who wakes turns on the loudspeaker and plays a love ballad by one of those blow-dried Hong Kong crooners.

Soon the others wake and stumble onto the hard courtyard, shaking off the cold and scooping water from the well with plastic pails to splash onto their faces.

A new day here usually starts with hunger because at least a quarter of the teaching staff, all new arrivals, have not been paid since the semester began in September and, as a result, they have no money to buy food.

"Last week I passed through my hometown and I was too embarrassed to go to my parents' home," said Li Xiangmin, 19, a graduate of Guiding Teacher's Training School. "We are very angry because we looked to our parents to support us through school and now that we have graduated and have jobs, they still have to support us."

This is the front line of rural education in China, and the central government's commitment to eradicate illiteracy and give equal educational opportunities to all seems a little tenuous in the rocky hinterland of southern Guizhou Province.

In November, all of the new teachers sent here to educate the impoverished masses went on strike for a week. The strike did not last because the students all brought food donations from their homes — a little rice here, some vegetables there. The students "were so upset and concerned they were crying," said Xia Wencai, 20. "We felt so guilty because we might ruin them if we don't teach them."

At night, the teachers arm themselves against the cold by sleeping under thick quilts. In the unheated dormitory, the weather intrudes through broken windows. The rats enter the same way, uncontested by natural predators, like cats and snakes, which have become extremely scarce. Besides, cats are an unaffordable luxury and the snakes are an edible delicacy.

"Education is the key to developing the country, but those words seem empty to us," said Zhu Xingsheng, 19. "You can't keep talented people here under these conditions.

"If conditions here don't improve, the backward areas of China will continue to be backward and the more advanced areas will continue to move forward, and the discrepancies in society will only get larger."

COMING UP

A recent court case in which an Israeli woman won the right to qualify as an air force pilot highlights a gulf between the roles of men and women in Israel's military.

Greek Party To Prepare Succession

Reuters

ATHENS — Greece's governing Socialist party said Wednesday that it would start the procedure this month to replace Prime Minister Andreas Papandreou, who remains in critical condition for the seventh week at an Athens hospital.

"The central committee meeting on January 20th will find a final solution to the political problem caused by the prime minister's illness," said Costas Skandalidis, the general secretary of the Panhellenic Socialist Movement.

The decision, announced after a marathon meeting of the governing party, was the first clear move toward Mr. Papandreou's succession since he was hospitalized with pneumonia on Nov. 20.

Earlier Wednesday, a hospital statement confirmed that Mr. Papandreou, 76, had suffered extensive kidney damage and that his breathing was still being supported by a respirator.

Doctors have said that it is very unlikely that Mr. Papandreou will be able to resume his duties even if he recovers.

Mr. Skandalidis said that the central committee would set a date for a meeting of the party's parliamentary group, the body responsible for electing Mr. Papandreou's successor.

Party officials said that senior party members planned to visit Mr. Papandreou in the hospital to inform him of the party's decision.

It was not known how the prime minister would react, or ever whether his doctors would allow the visit.

Members of the governing party have exchanged angry words in recent days over the succession issue, and there is still no clear way to skirt a constitutional article that says a prime minister can be replaced only if he resigns or dies.

A government spokesman, Telemachos Hytiris, warned members of Parliament that any effort to push the succession question without the consent of Mr. Papandreou would "deal a blow to the country's constitution and could lead to political turmoil."

But the executive bureau's decision clearly showed that many party members felt that the time had come to use the procedure for the election of a new prime minister.

For the Longest of the Long Shots, Blind Faith

By B. Drummond Ayres Jr.
New York Times Service

Every American presidential campaign draws a handful of candidates whose odds of reaching the White House are too absurdly long to calculate.

But whatever impels these politically impractical hopefuls to dream the impossible dream, they often turn out to be the light ingredient that saves presidential contests from turning into endlessly bland heavy cake.

So it is in the 1996 campaign with the three Republicans who seem to face the longest odds: Representative Robert K. Dornan of California, former Ambassador Alan L. Keyes of Maryland and Morry Taylor, a Michigan industrialist.

From the start, most polls have had each man dragging along the statistical bottom with just 1 or 2 percent of the voters' support. Day after day, they struggle not only for votes but also for name recognition, with the best parts of their campaign messages often co-opted by the stronger candidates.

Yet, each man presses on, insisting earnestly, but without discernible supporting evidence, that his is a campaign destined to succeed.

That may be blind faith. But given the soporific drone emanating so often from the other candidates, it is also a relief.

No other candidate in the contest can match the sharp-tongued, super-heated, hard-right patriotism of Mr. Dornan, who is political incorrectness incarnate.

No other candidate makes more of the abortion issue than Mr. Keyes, an outspoken opponent, and certainly none does it with more vigor.

And when it comes to financing a campaign with a personal fortune, other candidates or would-be candidates may have more money, but none is a happy spender like Mr. Taylor, who proposes to set the United States right by running it like a big business for four years, then to retire to some sunny isle.

In alphabetical order, then, here is a look at the campaigns of the three longest-odds candidates of 1996.

CAMPAIGN '96
Presidential Contenders

Dornan: The American Way

Mr. Dornan has almost no campaign money, no campaign organization, no campaign advertisements and no campaign schedule. His most recent campaign financial report shows debts totaling close to $180,000, while his current roster of campaign directors and workers lists mainly family members. His latest schedule shows him seldom venturing beyond the Beltway. Worse, the other candidates treat him as though he does not exist, which, politically, the polls come close to confirming.

Still, when it comes to waving Old Glory, praising the American fighting man and defending motherhood, truth, justice and the American way, Mr. Dornan has a knack for grabbing a headline.

The nation is "culturally poisoning" itself, the congressman asserts. But if voters put him in the Oval Office, he promises, the national moral decay will end, along with "holocaust" abortions, "pro-active" homosexuality and personal "irresponsibility."

Mr. Dornan, who represents the Garden Grove section of Orange County, California, is 62 and has been in Congress for nine invective-strewn terms. He has been such an outspoken proponent of U.S. military might that colleagues refer to him as "B-1 Bob."

Although his presidential campaign seems to be going nowhere, Mr. Dornan insists that he will campaign through the Iowa caucuses and the New Hampshire primary, at which point, he predicts, he will begin to move up in the polls.

Keyes: Moral Righteousness

The country's moral meltdown, particularly the decline of the family, is a theme, too, for former Ambassador Keyes, believed to be the first black Republican to seek the presidency and a man every bit as verbally nimble as Mr. Dornan — but without the vitriol.

Mr. Keyes, who was ambassador to the UN Economic and Social Council and later a State Department official in the Reagan administration, is, like Mr. Dornan, a former talk show host. And like Mr. Dornan, he is also running a shoestring campaign.

But there the similarity ends. Unlike Mr. Dornan, Mr. Keyes, 45, spends most of his time on the campaign trail, returning to his home in Darnestown, Maryland, only one day a week. And unlike Mr. Dornan, he draws enthusiastic, if modest, audiences, mainly packed with opponents of abortion.

In a thunderous voice, inflected with churchly cadences and moral certitude, Mr. Keyes, a Roman Catholic, not only denounces abortion but also contends that its practice "epitomizes the corruption that is eating away at the moral heart and spirit of American life."

Most polls show little movement in his campaign. And though he expects to collect about $500,000 in federal matching funds in January, there is hardly any likelihood that that money will give him the lift he needs to come out of Iowa and New Hampshire with saving political momentum.

Taylor: Perot All Over Again

The Morry Taylor campaign is not making significant headway, either.

Mr. Taylor, a 51-year-old multimillionaire rim and wheel manufacturer from Grosse Point Farms, Michigan, is making a Ross Perot-style run for the White House — financing the campaign with $15 million from his personal fortune of $40 million or so, disparaging professional politicians and promising, if elected, to run the federal government the same tough way he runs his company, Titan Wheel International.

All that is missing is the Texas twang. "If you voted for Ross Perot, you'll love Morry Taylor," he says. "I despise politics. I'm a businessman."

If elected, he says, he will balance the federal budget within 18 months, starting with the wholesale dismissal of one-third of the bureaucrats. The names of the unlucky ones will be picked at random by computer.

"Sure, there'll be some chaos for a few months," Mr. Taylor concedes. "But things'll settle down. It's real simple."

He also promises, if elected, to dismantle the Internal Revenue Service and levy a flat 17 percent tax on incomes above $35,000.

The State Department?

"Dynamite it."

Law and order?

"Bring back the whip."

If that seems a blunt approach to government, it is vintage Morry Taylor.

TRAVEL UPDATE

Marseille Court Orders Strikers to Halt Action

MARSEILLE (AFP) — A court on Wednesday ordered striking rail workers to stop blocking trains in the southern city of Marseille, gripped by industrial action for four weeks.

The court ruled that 19 employees who have been picketing their nonstriking colleagues could be removed by police from Thursday morning, judicial sources said. The ruling also applied to anyone else who attempted to block trains.

It ruled that their action constituted "a threat to freedom to work" of employees who wanted to return to their posts.

Hong Kong Pollution

HONG KONG (AFP) — Residents with asthma, lung and heart problems were advised to stay indoors Wednesday as Hong Kong experienced its worst levels of air pollution since setting up a monitoring system six months ago.

Pollution indices exceeded 100 for the first time since the system was launched by the Environmental Protection Department on June 6.

Heavy rain caused floods and isolated power cuts in Cyprus on Wednesday after a downpour that ended one of this century's most severe droughts. The rain caused blackouts in villages on the western coast of the island. *(Reuters)*

The eruptions of two volcanoes on the Kamchatka Peninsula in Russia's Far East do not pose a threat to the local population but flights in the area have been canceled, Moscow Echo radio reported Wednesday. *(AFP)*

Boutros Ghali Fears Violence In Burundi

The Associated Press

UNITED NATIONS — Warning that ethnic tensions in Burundi could explode into "violence on a massive scale," the UN secretary general is urging the Security Council to prepare a military force that could intervene in the central African country.

In a letter to the Security Council released Tuesday, Secretary General Boutros Boutros Ghali said that ethnic violence had already forced humanitarian aid groups to curtail or suspend their programs.

"I fear there is a real danger of the situation in Burundi degenerating to the point where it might explode into ethnic violence on a massive scale," Mr. Boutros Ghali wrote.

He is unlikely to find support in the council, especially since Burundi's government rejected a similar proposal in 1994 after 500,000 people were massacred in neighboring Rwanda.

Both Burundi and Rwanda are made up of ethnic Hutu and Tutsi.

Mr. Boutros Ghali's letter was dated Dec. 29.

Since then, the tension appears to have eased, and the UN refugee agency said Tuesday that there were no reports of violence over the weekend.

Still, Burundi's long-term prognosis appears bleak. In a New Year's message, President Sylvestre Ntibantunganya of Burundi warned his countrymen that Burundi faced "total collapse" if the ethnic fighting did not end.

Sporadic violence between Hutu and Tutsi tribes has plagued Burundi since army officers killed the country's first Hutu president in a failed coup in 1993.

The relief group Doctors Without Borders has estimated that the death toll in 1995 was 15,000.

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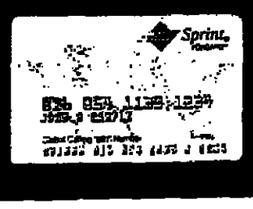

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Antigua (to selected phones)	110	Costa Rica +	0800-0013-0123	Ireland +	1-800-55-3001	New Zealand	000-999	Syria +	0888
Antigua (to pay phones)	1-800-366-4663	Croatia +✓	99-385-0113	Israel +	177-102-2727	Nicaragua (Managua)	171	Taiwan	0080-14-0877
Argentina	00-1-800-777-1111	Cyprus ✓	080-900-01	Italy +	172-1877	Norway +	800-19477	Thailand ✓	001-999-12-877
Armenia	8-10-155	Czech Republic +✓	0042-087-187	Jamaica (hotels)	873	Panama	115	Turkey +	00-800-1-4477
Aruba	800-8870	Denmark +	800-1-0877	Jamaica (airports/docks)	5	Peru ✓	176	U.S. Virgin Islands	1-800-877-8000
Australia (Optus) +	1-800-5511-10	Dominican Republic Δ	1166877	Jamaica (all other)	0800-877-8000	Philippines (PLDT subscribers only) ◇	105-01	U.S.A.	1-800-877-8000
Australia (Telstra) +	1-800-881-877	Ecuador ✓	999-171	Japan (DDI) +	0066-55-877	Philippines (Philcom) Δ	109-611	Ukraine	8-100-15
Austria	022-903-014	Egypt (Cairo) +	356-4777	Japan (IDO) +	0039-131	Philippines (PLDT)	105-16	United Arab Emirates +	800-131
Bahamas +	1-800-389-2111	El Salvador	800-1776	Jordan	19-800-2777	Poland +	00104-800-115	United Kingdom (BT)	0800-89-0877
Bahrain	800-777	Fiji Islands	004-890-100-3	Kenya ✓	0800-12	Portugal +	05017-1-877	United Kingdom (Mercury)	0500-89-0877
Barbados Δ	1-800-877-8000	Finland +	9800-2x-0884	Korea ‡	550-FONE	Puerto Rico	1-800-877-8000	Vatican City +	172-1877
Belgium +	0800-10014	France +	19◆0087	Korea (Taconet) Δ	0039-12	Romania +	01-800-0877	Venezuela	800-1111-0
Belize	556	Germany +	0130-0013	Korea (KT) ◆◆	009-16	Russia (Moscow) +	155-6188	Vietnam (calling centers)	1201-1111,
Benin	812	Greece +	008-001-411	Liechtenstein +	155-9777	Russia (all other) +	8◆195		
Bermuda ✓	1-800-623-0877	Guam	950-1366	Lithuania ✓	8◆197	Saipan	235-0333		
Bolivia	0800-3333	Guatemala +	195	Luxembourg	0800-0113	Saipan (Tinian and Rota) +	1-235-0333		
Brazil	000-8016	Honduras Δ	121	Macao	0800-121	San Marino +	172-1877		
British Virgin Islands Δ	1-800-877-8000	Hong Kong	800-1877	Malaysia +	800-0016	Saudi Arabia	1800-15		
Bulgaria Δ	00-800-1010	Hong Kong Δ	011	Mexico +	95-800-877-8000	Singapore +	8000-177-177		
Canada	1-800-877-8000	Hungary +✓	00◆800-01-877	Monaco +	19◆0087	Slovak Republic +✓	0042-087-187		
Cayman Islands	1-800-366-4663	Iceland +	800-7003	Netherlands +	06-022-9119	South Africa +	0-800-99-0001		
Chile	00◆0317	India +	000-127	Netherlands Antilles (Curaçao & Bonaire) +	001-800-745-1111	Spain	900-99-0013		
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THE AMERICAS

Knives Come Out Again Over Federal Shutdown

By Brian Knowlton
International Herald Tribune

WASHINGTON — A truce in the budget battles here suffered a jolting setback on Wednesday when Republicans in the House defeated a motion to reopen the government, and both sides returned to the trenches of harsh and very public rhetoric.

Ending several days of generally discreet negotiations between President Bill Clinton and congressional leaders, the White House spokesman said the top House Republicans were a "gruesome group" indifferent to the fate of furloughed workers.

And Mr. Clinton, speaking just before a meeting with those congressional leaders, said: "This is not a natural disaster. It is an unnatural disaster, born of a cynical Republican strategy."

A group of House Republicans immediately accused the president of "outrageous charges" and breaking his promise to negotiate an accord for a seven-year plan to balance the federal budget.

In the House, a Democratic attempt to force approval of a temporary measure to reopen federal agencies was rejected Wednesday by a 206-to-167 vote, mostly on party lines. The measure had been approved Tuesday by the Senate.

An earlier ripple of optimism about progress in the negotiations thus appeared in serious danger of evaporating. Concerns were growing, meanwhile, about how the partial government shutdown was beginning, in its 19th day, to weigh on the lives of people around the country and abroad.

Mr. Clinton said the shutdown was hurting, not speeding up, the negotiations toward a balanced budget. The closing of many government agencies, including the offices that issue visas abroad and passports at home, was "injuring the reputation of the United States around the world," he said.

The president's spokesman, Michael McCurry, had earlier criticized the Republican leadership of the House for refusing to return 280,000 federal employees to work. He blamed "the gruesome group up there" on Capitol Hill, saying that while many House Republicans favored an end to the shutdown, their leaders did not.

Nor did House Republicans mince words Wednesday in rejecting the move to reopen the federal government before a budget agreement is reached. "We want action, we want it now and we're going to stay the course," Representative John Boehner, an Ohio Republican, said shortly before the vote.

Republicans of the two chambers were thus in at least a tactical confrontation over whether the government shutdown should continue to be used as leverage to achieve a balanced budget by 2002.

The Senate majority leader, Bob Dole of Kansas, said that while some House members "feel this is helpful in bringing about a balanced budget, that's not my view." Mr. Dole, the leading Republican presidential candidate, said that federal workers had been made "pawns" of the political struggle.

In addition to the 280,000 employees idled by the shutdown, 480,000 others are working without pay.

While many outside the Washington area have been indifferent, at times mockingly so, to the government closings, growing numbers of people are beginning to feel its impact.

• Kansas stopped paying unemployment insurance benefits on Wednesday. The state has the money to pay the benefits but relies on the federal government to pay for administrative costs. At least 10 other states and the District of Columbia have exhausted such administrative funds. Alaska and Alabama are using state money to finance their unemployment programs through week's end.

• Food for federal prisoners might become unavailable this month if vendors do not get paid. It is unclear where money will be found to feed them.

• The Environmental Protection Agency has stopped cleaning up toxic waste at 609 locations.

• Because the Federal Home Administration lacks funding, the mortgage closings on about 12,000 homes a week have been postponed, according to John A. Koskinen, deputy director of the Office of Management and Budget.

This, he said, would begin to have a ripple effect on the housing and banking industries.

One agency that has not been affected is the Internal Revenue Service, which, as part of the Treasury Department, is among the agencies that have been funded by Congress. So income tax forms will be mailed this week as usual.

Joyce Naltchayan, Agence France-Presse
President Clinton meeting with Newt Gingrich, the House speaker, to discuss a way out of the budget impasse.

Clinton Poised to Yield on Capital Gains Tax

By Jack Nelson
Los Angeles Times Service

WASHINGTON — President Bill Clinton has told Republican congressional leaders privately that he is willing to agree to a reduction in the capital gains tax as part of the "horse trading" necessary to reach a budget compromise, White House sources said.

Although Mr. Clinton has indicated before that he might consider some sort of reduction in the tax, his comments to Republican leaders marked the first time he had offered to support a reduction as part of a budget compromise.

"It's an element that the Republicans are insisting upon in the revenue part of a balanced budget and the president will try to get something in exchange for agreeing to it," a senior administration official said.

Senator Trent Lott, Republican of Mississippi, said in an interview that Mr. Clinton had told him he would favor a reduction in the capital gains tax if other tax and spending issues could be resolved.

Mr. Lott, deputy to Bob Dole, the Senate majority leader, has developed into a key negotiator in the prolonged partisan budget battle, and his comments carry special weight at the White House because he is a close associate of Dick Morris, Mr. Clinton's chief re-election campaign adviser.

Mr. Morris was on Mr. Lott's Senate campaign staff in 1988 and also advised him on his re-election campaign in 1994.

Last week, in a speech to the Chamber of Commerce in Biloxi, Mississippi, Mr. Lott predicted that Republicans and Mr. Clinton would "split the difference" on Medicare spending and resolve the federal budget deadlock.

But White House officials apparently do not share Mr. Lott's optimism about an agreement on Medicare cuts.

"My read is that there may be a lot of give on other parts of the budget, but the president can't afford much give on Medicare unless he wants to get shellacked in the election this year," the senior administration official said.

As for possible cuts in Medicaid, the official said, "it would be even harder to agree to cuts because Medicaid goes to the heart of the vulnerabilities of the poorer population. This is less a dollar issue and more a principle of guaranteed health care."

Michael McCurry, Mr. Clinton's press spokesman, declined to comment on Mr. Lott's statements about Mr. Clinton's position on the capital gains tax, but indicated that the president had made it clear that he still opposed the Republican proposal of reducing the top tax rate on profits of stocks, bonds, real estate and other investments to 19.8 percent from 28 percent.

Mr. Clinton, Mr. McCurry said, "doesn't have any philosophical objection to cutting the capital gains tax if you target it on investments and start-up companies so that economic benefits flow principally to new business so that it becomes job creation."

In Embassies, Lots of Workers but No Work

By Thomas W. Lippman
Washington Post Service

WASHINGTON — In Vietnam, the government has threatened to cut off electricity to the U.S. Embassy because the $1,600 bill has not been paid.

In Russia, U.S. diplomats took out an interest-free loan from the embassy's community association to cover the payroll for Russian employees.

In Cuba, the trucker who hauls drinking water to the U.S. interests section has refused to make any more deliveries until he is paid.

From 20,000 to 30,000 applications by foreigners for visas to come to the United States are going unprocessed each day, creating a huge backlog of paperwork and infuriating prospective visitors. And at home, more than 200,000 Americans are waiting for passports that cannot be issued.

Such is life in the State Department in the third week of a partial government shutdown that has cut off the department's money and blocked almost all spending. Senior officials are telling of a mounting sense of crisis as paperwork piles up, the backlog of unprocessed visa and passport applications grows, travel plans are canceled and embassy officials scramble for funds to pay local employees.

"We just don't have any cash," said Richard M. Moose, undersecretary of state for management.

As long as suppliers and contractors are willing to extend credit for the few expenditures authorized, the State Department can get by, Mr. Moose said. But in the many parts of the world where the department has to pay cash as services are provided — including several countries where security companies demand payment up front to provide guards — the current mass inconvenience is about to become an emergency, Mr. Moose and other officials said.

'We have to let them come to work, but we can't pay them.'

People around the world may find it hard to believe that the United States could be reduced to the level of a "banana republic," Mr. Moose continued, but "my threshold of believing what can't happen is getting lower all the time."

The State Department is one of nine cabinet departments and assorted independent agencies whose fiscal 1996 appropriations bills have not been signed into law by President Bill Clinton. Thus they are nearly closed because of the budget impasse between Mr. Clinton and the Congress, which is controlled by Republicans. The State Department, more than any other agency, has spread the impact of the shutdown around the world.

Among those who have felt it are U.S. students who planned to start classes this month in foreign universities, vacationers who had firm travel plans and nonrefundable tickets and people with job offers overseas.

In many foreign countries, according to Mr. Moose and other officials, local laws do not permit the furloughing of local employees. As a result, "We have to let them come to work, but we can't pay them."

Worse than that, other officials said, is the fact that visa applicants can see all those furlough-proof local employees at their desks but are unable to obtain any service because the workers are not permitted to do anything.

"All this is unprecedented," said Pamela Harriman, the U.S. ambassador to France. "We hope for a solution soon. Otherwise things will just get worse and worse."

Officials of the State Department and Office of Management and Budget said the cutoff of visas and passports had reduced airline revenue at a peak travel season because tens or even hundreds of thousands of prospective travelers had to stay home. Airline industry spokesmen, however, said they had noticed little impact.

Some of the impact of the shutdown is more embarrassing than substantive.

All ambassadors, for example, have been told they cannot spend any money on what is known as "representation," which mostly means entertainment: No luncheons for visiting business executives, no cocktail parties for important locals, no travel to dedications of statues.

The shutdown is also undermining morale in the ranks as leaves and long-planned transfers are canceled and work that is being done goes unrewarded, senior officials said.

In Colombia, for example, U.S. consular officials who worked all last week to help families of the victims of an American Airlines crash were treated as volunteers because there is no money to pay them.

And morale among State Department and U.S. Information Agency employees at overseas posts is likely to fall further on the next scheduled payday, officials said, because their colleagues from funded agencies, such as the Defense and Agriculture Departments, get full paychecks but they do not.

Reagan Official Avoids Influence-Peddling Trial

By David Johnston
New York Times Service

WASHINGTON — Former Interior Secretary James G. Watt has pleaded guilty to a single misdemeanor charge of trying to influence a federal grand jury, thus avoiding a trial on 18 perjury and influence-peddling felony charges arising from his activities as a private housing consultant.

The agreement represented a stunning legal victory for Mr. Watt and a drastic reversal for federal prosecutors, who originally charged him with 25 felonies, accusing him of false testimony and document concealment that they said added substantially to the $20 million cost of the investigation.

Mr. Watt, who as interior secretary in the Reagan administration enraged environmentalists and became known for his inflammatory off-the-cuff comments, had been scheduled to stand trial Friday.

His was the last open criminal case of the five-year investigation into abuses at the Department of Housing and Urban Development under Samuel R. Pierce.

Mr. Watt pleaded guilty to a charge that he had tried to influence the actions of the grand jury investigating efforts by prominent Republicans to obtain grants and favors for their clients.

Specifically, prosecutors said that he wrote to prosecutors in June 1990 advising them that certain documents in his possession were of little value when he knew they were potentially relevant.

Mr. Watt, who is to be sentenced in March, faces a maximum of six months in prison, but the federal judge in the case, Royce Lamberth, is not obligated to order him to serve any time in prison.

Mr. Watt can be fined up to $5,000, a penalty he has agreed to pay, said his lawyer, William Bradford Reynolds.

The agreement brought to a close a drawn-out criminal inquiry that began with the appointment of Arlin Adams as independent counsel. After winning 16 convictions by trials and guilty pleas, Mr. Adams resigned in July.

He was succeeded by Larry Thompson, a former U.S. attorney in Atlanta.

The developments Tuesday came as a surprise because when he was indicted in February 1995, Mr. Watt and his accusers seemed determined to battle the case in court.

Prosecutors had adopted an unusually aggressive stance, obtaining a stringent 25-count felony indictment, with each charge punishable by a fine and five years in prison.

Last month, a federal judge dismissed 7 of the 25 original counts, an action that hastened negotiations on a plea agreement. That left 18 criminal charges pending.

In a statement, the prosecutor, Mr. Thompson, did not explain the negotiations that led to the plea. But he defended the agreement, saying recent Supreme Court decisions had undercut the statutory basis for the indictment.

Arthur Rudolph, Ex-Nazi, Is Dead

By Wolfgang Saxon
New York Times Service

NEW YORK — Arthur Rudolph, 89, the developer of the giant Saturn 5 rocket that launched a crew of American astronauts on the first manned flight to the moon in 1969, died Friday after he lapsed into a coma at his home in Hamburg, Germany, a friend said.

Mr. Rudolph left the United States in 1984 and moved back to Germany after the Justice Department accused him of "working thousands of slave laborers to death" while director of the German factory that produced the V-2 rocket in World War II. He denied the accusation.

Mr. Rudolph was one of 118 Nazi rocket engineers secretly brought to the United States after the war. The scientists included Wernher von Braun, the father of the American rocket programs.

Mr. Rudolph was a key figure in the Apollo Project. A member of Mr. von Braun's team, he was the project manager for the Saturn, a vital and complex Apollo component.

At the time of his entry into the United States, Mr. Rudolph was described by the American military government in Germany as an "ardent Nazi" but he was not classified as a war criminal. But Army documents from two years later showed that he had indeed been classified as a war criminal by West German and U.S. officials.

These documents surfaced when the Office of Special Investigations was formed in the Justice Department to investigate war crimes. It conducted an investigation and interviewed survivors of forced labor at the V-2 factory.

This evidence was presented to Mr. Rudolph and he signed a document agreeing to relinquish his U.S. citizenship. In return the Justice Department agreed not to pursue his case in the United States.

POLITICAL NOTES

House Fails to Override a Veto

WASHINGTON — The Republican-controlled House of Representatives failed Wednesday to override President Bill Clinton's veto of a $265 billion military authorization bill that he said would undermine arms reduction treaties with Russia.

The House voted, 240 to 156, to override Mr. Clinton's veto, 24 short of the two-thirds vote that would have been required in the House and then the Senate to enact the bill into law despite the veto.

The president had vetoed the bill last week, objecting primarily to a mandate in the measure that an anti-missile missile system be developed by 2003 to defend the United States against limited missile attacks from rogue nations.

In his veto message, Mr. Clinton said the system would jeopardize Russian compliance with two strategic arms reduction treaties.

He said Russia might turn against those treaties in retaliation because the bill would probably require more than the one U.S. anti-missile site permitted by the 1972 U.S.-Soviet Anti-Ballistic Missile treaty.

But Republicans said they tried to work out a compromise with Mr. Clinton on the anti-missile system and accused him of vetoing the bill because he wants neither the missile defense nor an adequate defense authorization bill. *(Reuters)*

He Can Get It for You Retail

MARYVILLE, Tennessee — So far, Lamarwear is selling better than Lamar.

As a Republican presidential candidate, Lamar Alexander, a former governor of Tennessee, is stagnating at 3 percent in the polls. As a fashion statement, his numbers are much better.

Here in eastern Tennessee, the Proffitt's department store chain is nearly sold out of Mr. Alexander's trademark red-and-black flannel shirts, which the store is marketing under the label "Lamar!" The store's buyers ordered 65 dozen of the shirts this fall and have sold all but five or six dozen in two months. The price: $39.50.

Mr. Alexander began wearing the lumberjack shirts as part of a strategy to connect with working-class voters. After losing the 1974 gubernatorial race, he kicked off his 1978 campaign with a hand-shaking walk across the state, clad each day in a red-and-black shirt.

By the end of the trek, the shirts had become such a part of Mr. Alexander's political identity that he was auctioning them at fund-raising events.

He has continued the tradition in the current presidential campaign, wearing the shirts on walks through New Hampshire and giving them to prominent supporters in Iowa. *(NYT)*

For Gramm, Two's Company

LACONIA, New Hampshire — Sitting down at kitchen tables in homes all around New Hampshire, Phil Gramm is wooing Republican voters two by two.

With New Hampshire's presidential primary, the first in the country, seven weeks away, the Texas senator is trying to break out of single-digit poll standings and gain ground on the Republican front-runner, Senator Bob Dole.

But rather than pack rallies with hundreds of supporters, Senator Gramm is meeting with Republicans two at a time, in their homes and at small businesses.

The press was invited, of course, when Senator Gramm sat down with Tara and Roland Cote and two fidgety children at their kitchen table in Keene and promised that a balanced federal budget would yield lower interest rates, saving the Cotes $1,760 a year on a 30-year home mortgage.

"We could put a new roof on the house," said Mrs. Cote, a dental hygienist.

Her husband, a cellular phone salesman, liked the Gramm approach.

"He will never get enough people this way, in my book, but it's a nice way to go," Mr. Cote said. *(AP)*

Quote /Unquote

Senator Phil Gramm, on why President Bill Clinton's State-of-the-Union address, usually a command performance for members of Congress, will not lure him off the campaign trail: "Of course, those speeches are always special, but they were more special when Ronald Reagan was there." *(AP)*

Away From Politics

•A tornado spawned by a line of powerful thunderstorms hopscotched across suburbs of Miami, damaging several homes and injuring at least four people, the authorities said. *(AP)*

•The ex-wife of Jean-Claude (Baby Doc) Duvalier was ordered by the New York State Supreme Court to pay more than $6.5 million allegedly stolen from Haiti before she and her husband, the former president, were exiled in 1986, a lawyer who tried the case said. *(Reuters)*

•A note found with a package bomb that wounded an Episcopal priest in Opelika, Kansas, calls for action against the federal Bureau of Alcohol, Tobacco and Firearms and may have been intended for a former employee of the agency who lives near the priest, investigators said. *(AP)*

•The five largest U.S. tobacco companies say the government's plans to regulate cigarettes would cost $1 billion up front and $1 billion a year to carry out, more than 20 times what federal regulators have estimated. The cigarette makers, in filing with the Food and Drug Administration, called the rules an "illegal power grab" that would hit not only the tobacco industry but also the profits of retailers and advertising companies. *(AP)*

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ASIA

North Korea Appeals for More Aid to Feed Its People

Compiled by Our Staff From Dispatches

BEIJING — North Korea appealed Wednesday for more foreign aid to feed a people battered by the worst floods in a century.

"We will be grateful for assistance in our difficulties," the North Korean ambassador to China, Chu Chang Jun, said at a news conference.

North Korea was struck last year by three periods of flooding, a disaster exacerbated by damage from hail during the harvest season, Mr. Chu said.

"The agricultural damage is great," he continued. "Many houses were destroyed. We have rebuilt and are building new houses."

He refused to give specific figures for the damage to crops and buildings or to furnish a casualty toll.

In response to the reports of a possible famine in North Korea, President Kim Young Sam said in Seoul on Wednesday that national security must be South Korea's primary concern.

South Korean officials fear that the North's hard-line Communist government might resort to military adventurism to divert attention from acute food shortages that have been aggravated by the floods and other economic problems.

"Since North Korea's food shortages and economic difficulty have reached an extreme stage, national security should be made the government's foremost policy goal," Mr. Kim told presidential staff members.

The North's food problems are expected to get worse in the spring, when most of the country's fall harvest would have been consumed. Visitors to the country report that many people live on one meal a day.

North Korean officials have told foreign visitors that the 1995 harvest of rice, wheat and corn was 3.49 million tons, down from 7.08 million in 1994.

The Food and Agricultural Organization and the World Food Program recently said that nearly 2.1 million children in the North were at risk of starvation along with about 500,000 pregnant women and nursing mothers.

Donor nations have been slow to provide aid, despite repeated warnings of famine by UN food agencies.

Mr. Chu said his countrymen were using what he termed spiritual as well as material means to cope with the aftermath of the floods. "Our people are making all the best efforts to overcome this difficult period with the greatest revolutionary optimism," he said.

North Korea was also aided by the superiority of its socialist system and collectivism, he said. "We will overcome all the difficulties with a high spirit," he predicted.

Mr. Chu also said that the long-delayed formal succession of power in North Korea will not occur before July, the second anniversary of the death of its longtime leader, Kim Il Sung.

"After the second anniversary, you should pay attention to the situation in our country," he said in one of the most concrete official statements on when Mr. Kim's son, Kim Jong Il, is expected to assume the titles of president and party leader.

The 53-year-old son was Mr. Kim designated successor and already held the nation's top military position when his father died. But he has baffled international observers with the delay in officially assuming power and there has been speculation that he faces internal challenges or is ill.

Mr. Chu said, however, that Mr. Kim "has been leading the work of our state and army for many years" and that "the election of the supreme leadership is only a formality."

He explained the delay by saying, "The second anniversary of the passing of the Great Leader is not over yet. Our people are still in a state of mourning." *(Reuters, AP)*

Islamic Group Claims Blast in Delhi Fatal to 6

Compiled by Our Staff From Dispatches

NEW DELHI — A bomb exploded in the heart of the Indian capital Wednesday, killing at least six people and seriously wounding about 20, the police said.

In the northern Jammu and Kashmir state capital, Srinagar, a little-known separatist group took responsibility for detonating the bomb.

A man identifying himself as the spokesman for the Jammu and Kashmir Islamic Front called newspaper offices in Srinagar, saying the explosion was set off to protest "atrocities" by Indian security forces in the state of Jammu and Kashmir.

"We will retaliate outside Kashmir," he said.

"We will continue these blasts until the Indian security forces stop blowing up houses here and stop killing innocent Kashmiris."

A Muslim separatist drive in Kashmir, India's only Muslim-majority state, has left more than 12,000 people dead since 1989, but militant groups have so far confined their activities to the Kashmir Valley.

Police Commissioner Nikhil Kumar said the midafternoon explosion, outside a shop selling auto parts, set off a fire in the Sadar Bazaar, a district of 100-year-old buildings in the center of the old city.

At least five shops were gutted, said B.S. Dahiya, a fire officer. He said fire fighters put out the blaze within an hour.

In New Delhi, residents who helped carry away victims said they counted seven dead, while United News of India said at least six people had been killed.

Witnesses said the bomb appeared to have been planted in a scooter parked in the crowded business district.

Last November, a bomb exploded outside a crowded restaurant in Delhi, wounding 22 people.

In September, two devices went off during rush-hour traffic near the historic Red Fort in old Delhi, wounding more than 40 people. The police attributed those attacks to Jammu-based Sikh separatists. Dozens of separatist groups have been fighting for six years against Indian rule in Jammu and Kashmir state.

Senior police officials said the explosion Wednesday had prompted a general security alert in the Indian capital. The nation is to hold its Republic Day army parade on Jan. 26. "This clearly means we will have to be more watchful" then, a police official said.

India accuses Pakistan of arming and training Kashmiri militants. Islamabad denies this but extends moral and diplomatic support to what it describes as a legitimate struggle for self-determination. *(Reuters, AFP, AP)*

Drug Lord to Surrender, Burma Says

Compiled by Our Staff From Dispatches

RANGOON — Khun Sa, an opium warlord in the notorious "Golden Triangle" for more than three decades, has agreed to surrender to the government in Rangoon, the Burmese military said Wednesday.

Khun Sa has been indicted in a U.S. court on charges of heroin trafficking. Burma and the United States have no extradition treaty.

He is the best known, but not the largest, opium trafficker in the Golden Triangle, the area where the borders of Burma, Thailand and Laos meet. About 60 percent of the heroin sold on the streets of America originates in the Golden Triangle.

Government troops were advancing on Khun Sa's remote headquarters in Homong, 400 kilometers (250 miles) northeast of Rangoon, but as of Wednesday morning they had not reached the town, a military officer said.

But some troops from Khun Sa's Mong Tai Army near the Thai-Burmese border said government troops had already entered Homong. There was no fighting for the town, they said, because Khun Sa had ordered them not to resist.

Khun Sa has made no public statement about the surrender, and his whereabouts have not been confirmed. But the All Burma Students Democratic Front, a dissidents group based along the border, said Wednesday that Khun Sa went to Rangoon to negotiate the cease-fire with the government during the second week of December and was still there.

A mediator from China helped broker the deal, according to a senior official of the Thai Border Patrol Police.

Khun Sa has portrayed himself as a fighter for the Shan minority, an ethnic group closely related to the Thais.

The Thai border official noted that Burma had tried to improve its image by releasing the dissident leader Daw Aung San Suu Kyi, and he added that "defeating Khun Sa was another way to do that."

The Burmese Army had launched three offensives in the last three years to try to defeat Khun Sa's army. The campaigns had only limited success.

International drug enforcement officials in Rangoon have said that bringing down Khun Sa would not affect the flow of opium from the Golden Triangle in a significant way.

Although Khun Sa is the best known opium trafficker, he is no longer the largest.

Larger traffickers have come to terms with the Burmese government and are allowed to continue their operations, said the officials, who demanded anonymity. Crop surveys show vast amounts of opium are still grown in government-controlled areas.

Earlier this year, part of the Mong Tai Army broke away from his leadership, claiming Khun Sa favored the ethnic Chinese and was more interested in drug trafficking than Shan nationalism.

Reuters

The drug warlord Khun Sa, who Rangoon said is ready to give up.

Cambodia's King Elevates Queen

Agence France-Presse

PHNOM PENH — King Norodom Sihanouk has elevated Queen Norodom Monineath Sihanouk to a position that may indicate he wants her to succeed him as Cambodia's monarch.

The palace issued a royal decree on Wednesday granted the queen, the former Monique Izzi, the title "Preah Reach Akka-Mohesey."

The new title, which adds the words "Reach Akka" to her old title, elevates the 58-year-old queen's status in the royal household to that of "Supreme Wife" which in the language of Cambodian court circles indicates that she is a queen capable of reigning upon the king's death.

Though the king, a constitutional monarch who reigns but does not rule, is free to change the queen's title, several government officials warned that it would be unconstitutional for King Sihanouk to choose his successor.

"Cambodia is now a constitutional monarch, so for someone to take the throne he must be elected by the throne council," an official said.

The seven-member throne council, comprised of senior monks and officials, must elect a new monarch within a week of the king's death or abdication.

King Sihanouk, 73, has 14 children by five of his six wives and consorts, and he has made it clear that he does not think any of them or any other male members of the royal family worthy to take over from him.

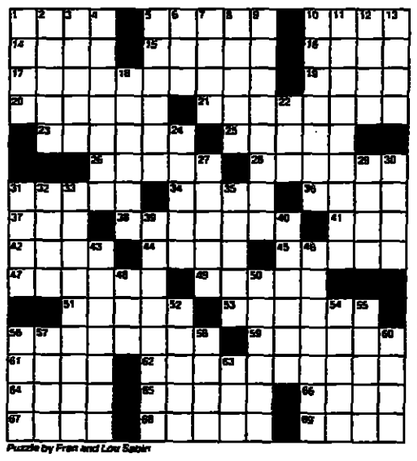
CROSSWORD

ACROSS

1 Food maven Greene
5 Kind of mouth
10 Field food
14 Cuba o Puerto Rico
15 Live to —— old age
16 Scrabble piece
17 King of Corn
19 Eftsoon
20 Straight
21 Wandered
23 Having new faith
25 Easy pace
26 —— Bryant Ford
28 Beautifully imaginative
31 —— Calais
34 Singer Stookey
36 Wishing site
37 Former auto inits.
38 Supermarket gizmo
41 It's sometimes crushed
42 Wisdom
44 Certain G.M. car
45 —— in the bucket
47 Victimize
49 Alabama march town
51 Proceeds
53 Harvestman
56 Waders
59 Some computers
61 Money-changer's cut
62 Purse item
64 Powell or Scott: Abbr.
65 "Dallas" miss
66 Basso Pinza
67 Don't strike!
68 Scare off
69 Ophelia or Laertes, e.g

DOWN

1 "The Whales of August" actress
2 According to
3 Type type
4 Superior bottom
5 Ballplayer's goal, with "the"
6 Aztec treasure
7 Salon job
8 "Lulu," e.g.
9 Have another bite
10 Essentials
11 It's found at the end of a lane
12 Natural balm
13 Tape
18 Diminishes
22 Nigerian native
24 Asian kingdom
27 Territory
29 Fictional ensign
30 Jockey's need
31 Feeler
32 Love, to Livy
33 Twisty-leafed tree
35 Big name in auto racing
39 Looked the other way
40 New Jersey s —— Mountains
43 Metal fastener
46 Spotted
48 Plastic —— Band
50 Calaveras competitor
52 Out of fashion
54 Higgins s prodigy
55 Ancient fly catcher
56 "Macbeth" trio
57 "—— Ideas" (1950 hit)
58 Bank deposit
60 Camera device
63 Golfer's position



Puzzle by Fran and Lou Sabin

© New York Times/Edited by Will Shortz

Solution to Puzzle of Jan. 3

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BRIEFLY ASIA

24 Killed in Assault on Kabul

KABUL — Rockets smashed into a southwestern suburb of Kabul, killing 24 people and wounding at least 56, hospital officials said Wednesday. Many of the casualties were children, they said.

No one took responsibility for the assault, but the Afghan Defense Ministry blamed Taleban militiamen seeking to topple President Burhanuddin Rabbani.

The rocket assault hit the congested residential neighborhood of Karte Se, which was already badly damaged by nearly three years of brutal factional fighting. *(AP)*

Conflicting Reports on Hostages

SRINAGAR, India — The guerrilla captors of four Western hostages in Kashmir said Wednesday that the Indian Army had rescued them, but the army denied the claim.

The Al Faran militants said in a statement delivered to newspapers in Srinagar that the hostages were in an Indian Army camp in southern Kashmir.

The captives were kidnapped by the guerrillas while trekking in the mountains of southern Kashmir in early July. They are Donald Hutchings, an American; Dirk Hasert, a German, and Keith Mangan and Paul Wells, both Britons. A fifth hostage, Hans Christian Ostroe of Norway, was found beheaded in August. *(Reuters)*

Taiwan Deploying Missiles

TAIPEI — Taiwan has deployed locally made Sky Bow II anti-aircraft missiles at a Taipei missile base, it was reported Wednesday.

The China Times newspaper of Taiwan said the missiles, with a range of 320 kilometers (200 miles), could intercept fighter planes taking off from coastal airports in mainland China. Five other Sky Bow bases were to be established in southern Taiwan and offshore islands, it said. *(Reuters)*

Tamils Attack Air Force Unit

COLOMBO — Sri Lanka's Tamil Tiger rebels, hard-pressed in the north by the army, attacked an air force outpost and a food convoy in the east of the island on Wednesday, defense sources said.

The sources said an airman was killed and 12 others wounded when a force of about 200 Liberation Tigers of Tamil Eelam, most of them women, mounted the attack on Pankulam, west of Trincomalee. *(Reuters)*

VOICES From Asia

Ali Alatas, foreign minister of Indonesia, on United Nations talks with Portugal on East Timor: "We are now entering the substantive stage. We are going to discuss about the possibility of building a framework for a solution to East Timor." *(Reuters)*

Ismail Amat, a minister with the Chinese State Nationalities Commission, brushing aside notions that the country faces serious ethnic friction: "At present, relations among our nation's nationalities are fairly good. Separatist activities conducted by a very small number of people are doomed to failure." *(AFP)*

Seiji Maehara, a lawmaker from the New Party Sakigake, saying the government should permit President Lee Teng-hui of Taiwan to pay a private visit to Japan: "Why not? I think that's no problem. If we are scared of Chinese repercussions, we will be unable to do anything." *(AFP)*

Taiwan Scores a Success With New Senegal Ties

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan and Senegal resumed diplomatic ties Wednesday after a more than 20-year interval, marking another success in the island's campaign to break out of the isolation imposed by China.

The move brings to 31 the number of countries that recognize Taiwan.

"The Republic of China and Republic of Senegal have agreed to set up formal embassies in each other's country," said a statement read out by Foreign Ministry official.

"This establishment of diplomatic ties marks a significant development in our pursuit of pragmatic diplomacy," the statement quoted Foreign Minister Fredrick Chien as saying.

The communiqué was signed by Mr. Chien and his Senegal counterpart, Moustapha Niasse.

For Taiwan, the move bolsters its efforts to win a place on the world stage and eventually gain a seat in the United Nations.

But it is sure to anger China at a time when relations are strained. China has considered Taiwan a renegade province since the civil war ended in 1949, and it tries to block the island's international contacts.

Bilateral relations have plunged since last June, when President Lee Teng-hui of Taiwan made a private visit to the United States to attend a college reunion. China insists that Mr. Lee's trip aimed to promote the island's independence.

Senegal is the 10th African country to recognize Taiwan, following Gambia, which established diplomatic ties with Taiwan in July 1995.

Senegal broke ties with Taiwan in 1964 but relations were resumed in 1969. In 1971, it broke ties with Taiwan again to recognize Beijing, the Foreign Ministry statement noted.

"So far, we still maintain diplomatic ties with the People's Republic of China, but the ties did not stop our determination to establish ties" with Taiwan, Mr. Niasse said. *(Reuters), AFP)*

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(Continued From Page 15)

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EUROPE

With Major's Majority Cut, U.K. Sniffs Election

By Richard W. Stevenson
New York Times Service

LONDON — After nearly 17 years in power, Britain's Conservative Party has seen its once-unassailable majority in Parliament reduced to a razor-thin margin, increasing the odds that the government will have to call a general election well before its five-year term expires in April 1997.

The latest blow to Prime Minister John Major and his government was the defection of a Conservative member of Parliament, Emma Nicholson, to the second-largest opposition party, the centrist Liberal Democrats.

The decision by Ms. Nicholson, a former deputy chairman of the Conservative Party, clearly rattled the government and left it facing some unsettling parliamentary arithmetic.

After taking into account the likely results of elections for two empty seats and the refusal of one Tory MP to commit himself to voting the party line, the government's majority in the 650-member House of Commons has been reduced to one.

When Margaret Thatcher led the Tories back into office in 1979, she had a majority of 39, a number that rose to as high as 141 after the 1983 general election. Under Mr. Major, the Conservatives won re-election in 1992 with a majority of 21.

Public opinion polls now show the Labor Party with a big lead over the Conservatives, and Mr. Major's political staff has been hoping to delay an election until 1997, which would give them time to push through a tax cut to win over some voters and to find chinks in the popularity of the Labor leader, Tony Blair.

Ms. Nicholson was the second Tory MP to defect in recent months — Alan Howarth crossed the floor to the Labor Party in October — and she issued stinging criticisms of the government's policies and personalities.

She said her decision had been driven primarily by her opposition to the government's increasingly strident anti-European positions and by what she said was the domination of the party by its right wing.

But she cited a range of other reasons, from the government's prison policies to vehement criticism she received from fellow Tories for supporting a measure requiring more disclosure of outside income.

"I hope that more Conservative MPs who have articulated their profound unhappiness with the course the government is steering will follow me," she said.

The government has already found it difficult to pass sensitive legislation, especially when it relates to European policy, because of its shrinking majority.

Given the likelihood of the party's one-vote margin being eliminated by further defections or deaths in its ranks, Mr. Major will need an ally to stay in power, and his only real hope is the Ulster Unionists, whose nine members of Parliament represent predominantly Protestant districts in Northern Ireland.

"It will be up to the Ulster Unionists whether the Major government survives a vote of confidence," Alex Salmond, the leader of the Scottish National Party, said this week.

With Britain engaged in a delicate process of trying to forge a permanent end to the long history of sectarian violence in Northern Ireland, the government's likely reliance on the Ulster Unionists to remain in office has raised questions about Mr. Major's increased willingness to make concessions to the province's Protestant majority in the peace talks.

Mr. Major, for example, has been broadly supportive in recent weeks of a proposal by the Ulster Unionist leader, David Trimble, for the return of an elected assembly in Northern Ireland.

On Monday, Sir Patrick Mayhew, Britain's Northern Ireland secretary, said Mr. Major would not play political favorites in the peace effort.

Sad 'Mr. Clean Hands' Bows Out in Italy

Compiled by Our Staff From Dispatches

ROME — The symbol of Italy's war on graft, Antonio Di Pietro, said Wednesday that he was bowing out of public life after allegations of criminal impropriety.

"Ours is an ungrateful country," the former magistrate said in a column he writes for the magazine Oggi. "Even if time proves me right, I've nothing more to say or give, either as a magistrate or a citizen.

"Now, my one hope is that I'll be forgotten. This was the first wish I put under the tree of the saddest Christmas of my life." The comment was Mr. Di Pietro's first since a public prosecutor recommended last month that he should be charged with extortion and abuse of office.

A judge is due to examine the case next month and decide whether Mr. Di Pietro, spearhead of the "Clean Hands" drive against corruption that felled Italy's former governing class, should stand trial.

Mr. Di Pietro, who resigned suddenly from Milan's team of graft investigators in December 1994, denies wrongdoing.

In his column, one of several high-profile, paid pursuits he undertook following his resignation, he branded the allegations the result of a vendetta.

"It is the price I have had to pay for my stubborn determination to proceed with the Clean Hands investigation at all costs," he wrote.

"I knew from the start that they would make me pay for it."

The case against him concerns allegations that he abused his position to extort favors for himself, family and friends. *(Reuters, AP)*

Dutch Blast Wrecks A French Consulate

Reuters

ARNHEM, Netherlands — A bomb that exploded at a building housing a branch of the French bank Paribas and France's consulate here in the eastern Netherlands might have been a protest against French nuclear tests, Dutch police said Wednesday.

The bomb badly damaged the building and blew out windows up to 100 meters away late Tuesday night, but no one was injured, a police spokesman said. He said the damage indicated a fairly large explosive device.

"We haven't had any calls claiming responsibility, although we believe it could be related to protests against French weapons testing in the Pacific," the spokesman said.

He said the police were investigating whether the explosion could be linked to a bomb attack in October on the Arnhem office of Crédit Lyonnais, another French bank.

"No one claimed responsibility for that attack, and it's a point of the investigation to see whether there is any link," the spokesman said. A small bomb went off outside the Crédit Lyonnais building on Oct. 17, causing little damage.

The decision by President Jacques Chirac last year to resume nuclear tests in the South Pacific touched off protests around the world. Protesters have mainly confined themselves to peaceful demonstrations and boycotts of French products.

A Foreign Ministry spokesman in Paris condemned the the Arnhem attack, calling it a "criminal or terrorist act. The spokesman, Jacques Rummelhardt, declined to speculate on the motives for the bombing.

BRIEFLY EUROPE

Turkey Rebuffs EU on Cyprus

ANKARA — Turkey on Wednesday rejected a European Union initiative to reunify Cyprus, banking instead on UN and American efforts.

In the backdrop is Turkey's opposition to efforts by the Greek Cypriot government to join the union. Turkey firmly rejects such a move before the island is reunited.

"There is no need to begin an initiative independent of the UN's," a Foreign Ministry spokesman, Omer Akbel, said at a news conference. *(AP)*

Kinkel Urges Chechnya Talks

BONN — Foreign Minister Klaus Kinkel urged European mediators Wednesday to resume their peace mission in Chechnya.

Mediators from the Organization for Security and Cooperation in Europe withdrew from the breakaway Russian region last month when elections organized by Moscow sparked fierce fighting.

The organization "must immediately resume its mediation effort," Mr. Kinkel told the Cologne daily Express.

He added, "Any peaceful and lasting solution on the ground requires an immediate cease-fire." *(Reuters)*

A Melee at Disneyland Paris

PARIS — Officials at Disneyland Paris said Wednesday that they were seeking to fire 18 employees after a clash left 14 people injured in a union protest for higher wages.

The melee, the first involving injuries since the park opened in April 1992, took place Sunday when about a dozen protesters tried to force their way in. Park attendants "tried to block them and there were injuries," said Jacques-Henri Eyraud, a spokesman for the park's parent company, Euro Disney.

A number of those injured were hospitalized, but none was seriously hurt, Mr. Eyraud said. The park continued operating New Year's Eve, he added. *(AP)*

Delors Warns France on EU

PARIS — The risk of a Franco-German split has supplanted British skepticism as a main threat to the European Union, the former president of the European Commission, Jacques Delors, said Wednesday.

Writing in the weekly Le Nouvel Observateur, he said France had "played with fire" by swinging between British-style nationalism and Germany's desire for a more federal Europe. *(Reuters)*

Calendar

European Union event scheduled for Thursday:
NICOSIA: Emanuele Scammacca, Italian secretary of state for foreign affairs, begins a mission to Cyprus.
Source: Agence Europe

EUROPEAN TOPICS

Swiss Told to Ease Up on Addicts

A powerful group of Swiss industrialists and company leaders wants to see the country shift gears again in its fight against drug addiction. Ninety-four leading executives, including the heads of Swissair, the rail and postal services and the biggest newspapers, say that more money should be spent on therapy and support services for addicts and proportionately less on law enforcement.

Of the 500 million Swiss francs ($431 million) devoted yearly to the fight against drugs, three-fourths goes to the police and justice system, reports the German weekly Der Spiegel. An earlier open and permissive approach to the drug problem has increasingly given way to attempts to bust up the drug scene.

The industrialists' plea is based partly on a field study of 366 addicts that found that supporting efforts to rebuild their lives leads to a decrease in drug consumption.

Around Europe

Brendan McWilliams of The Irish Times has come across a 19th century invention that never quite caught on. Titled the Atmospheric Electromagnetic Telegraph Conducted by Animal Instinct, the device was designed by one George Merryweather as a means of predicting storms. He had observed that leeches, when kept in a bottle of water, move steadily upward as foul weather approached.

The Merryweather contraption looks like a tiny merry-go-round. A central stand is topped by a bell with 12 hammers. Twelve bottles, each half-filled with water, surround the base, each fitted with a trap door connected in turn by a fine chain to a hammer. Leeches were placed in each bottle: when a storm neared, their gymnastics, in theory, made the bells ring. Mr. Merryweather's plans for a network of "leech warning stations" never caught on.
International Herald Tribune

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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Among the Land Mines

It figures that the first American casualty in the Bosnia peacekeeping mission was a victim of a land mine. So may be the next and the ones after that. If and as a peace firms up and there is no hostile firing, all combat casualties are bound to be from these silent, lurking bone-blasters.

Some are anti-tank mines so powerful that several tons of metal, in the Humvee that blew up under him, could not spare 23-year-old Specialist Martin John Begosh of grievous injury. There are also millions of anti-personnel mines, small but sufficiently explosive to take life or limb from anyone chancing by. All these devices were put in place by Yugoslavs fighting each other. As their intended targets now seek peace, their unintended victims — international peacekeepers — begin to fall.

Mines, to the civilian mind anyway, are unfair. Usually there is no human being directly at the firing end, just a piece of undetectable plastic performing mute ambush duty. The effect seems particularly vicious. But of course mines have a military purpose. They are meant to funnel enemy forces *into or out of* designated areas. The United States set out vast numbers in the Gulf war. Other armies, especially *guerrillas or armies of poor countries*, have found mines appealingly easy and cheap to make, acquire and use.

Until now the American military, by example and doctrine, has condoned mines. It is an open question whether experience in Bosnia will force a review of its generally permissive attitude toward them.

In fact, the business of land mines is too important to be left exclusively to *judgments on their military utility*. Promiscuously employed mines have become the scourge of whole societies in places such as Afghanistan and Angola — and, to a lesser but still considerable extent, the former Yugoslavia. These weapons are finally an instrument of war against civilians, a war that goes on unrelieved after the soldiers go home. Set out in war, they are no less menacing when they are left behind in peace. They impose a timeless burden on the freedom of individuals to move about their villages and fields, and on the freedom of communities to use their land and rebuild.

If the risks from mines that American soldiers now bear in Bosnia have any redeeming value, it lies in the reminder of the perils to which many civilians are routinely exposed.

— THE WASHINGTON POST.

Opening the Archives

Too little has been made of a land*mark victory for open government in* the United States. Hundreds of millions of classified documents will soon become public thanks to Executive Order 12958, *which came into force on Oct.* 15 and requires the automatic declassification of most U.S. government files more than 25 years old. The struggle against obsessive secrecy is far from over, but President Bill Clinton has honored his promise to let more sunshine in. It has begun to shine even at the CIA.

Under a reform-minded director, John Deutch, and his immediate predecessors, the agency has begun releasing older internal documents and publications, and is now dealing candidly with the devastating Aldrich Ames betrayal. The agency has also declassified the first generation of spy satellite images and has worked with the National Security Agency on releasing the transcripts of an American code-breaking success against Soviet intelligence.

Even before President Clinton's executive order, Energy Secretary Hazel O'Leary made public thousands of pages on nuclear testing, including reports on radiation experiments carried out on Americans without their knowledge. Some 300,000 pages are now *accessible on OpenNet, an agency* database on the Internet.

Mr. Clinton's executive order will considerably speed this process. It is nothing less than an act of liberation for the National Archives, guardian of 5 billion federal documents. Uniform standards for classification will apply for the first time to all federal agencies, and the burden is now on officials to show why a document should be kept secret for 10 years, the new limit for most files. In theory, this should sharply reduce the number of secret files. In *practice, it will require continuous over*sight by citizens to make sure that their public servants abide by the new rules.

Much depends on how the order's security exemptions are interpreted. Few would dispute the need to protect secrets of weapons systems, military planning and code-breaking. But the exemptions also extend to gray areas such as revealing intelligence sources or information that would "damage relations" with another government.

Automatic declassification is a prospect that dismays officials bred on Cold War habits of secrecy, who tend wildly to exaggerate costs of compliance. They have found allies in the House of Representatives, which limited spending on declassification. Fortunately, the Senate has leaned the other way and voted to locate within the National Archives an energizing Information Security Oversight Office.

When the Freedom of Information Act became a reality in the 1970s, citizens finally won the right of access to their own confidential files. The *heavens did not fall, and citizens in* other democracies justifiably clamored for the same right. It is likely to be the same with Executive Order 12958, *which opens government archives to* real citizen scrutiny, and serves notice that secrecy cannot indefinitely cloak government conduct in years to come.

— THE NEW YORK TIMES.

Boosting the Big City

Some 25 million people — nearly half the population of France, or twice the population of Pennsylvania — visited New York City last year for business or pleasure or both. From Omaha, Osaka and everywhere else, they came in record numbers, bringing joy to innkeepers and maître d's, to theaters and merchants, and more than $1 billion to the collectors of city and state taxes.

But all is not well. New York's travel business has been improving, but its share of the nation's total has shrunk, because its share of international travelers *is down*. Since favorable exchange rates encourage foreign tourists to spend more generously than the homegrown variety, they are especially important. But in the past three years New York City's share of their patronage has shrunk to 2 percent from 2.2 percent. The slippage represents 2 million visitors who did not visit, and 10,000 local jobs not created. New Yorkers may be full of themselves, but newer attractions like Las Vegas and the Disney playgrounds in Florida are better self-promoters. It is time the Big Apple polished its sales pitch.

All told, visitors from out of town — tourists, business people and conventioneers — constitute one of the city's largest industries. They spend in excess of $10 billion a year, create 130,000 jobs and net the city half a billion dollars in taxes. The current expansion of this lucrative trade is fed by factors that cut its cost — lower air fares, lower hotel taxes and, for most foreigners, those advantageous exchange rates — as well as by the awareness that crime has decreased dramatically.

The New York Convention and Visitors Bureau is just one of several organizations luring out-of-towners, and there lies a problem — the lack of concerted effort. The bureau is supported by City Hall and some 1,200 business members. The state does its own travel promotion, but it has recently cut back. There are also two private groups. New York '95 is an aggressive collection of hotel, restaurant and travel interests that started as the host committee for the 1992 Democratic National Convention. The Association for a Better New York is a well-established organization with roots in real estate.

There is no estimate of how much is spent to promote New York, because there are so many separate components and they fluctuate a lot. But the biggest is the bureau, which spends about $7 million a year, including $3 million supplied by City Hall. The Miami visitors bureau spends twice as much, and the Las Vegas bureau even more.

Promotion of the travel business needs more help from the city. But there is an embarrassment of free-loaders, including some upscale establishments that don't contribute a nickel. They reflect a cocky belief that New York is so glamorous that it needs no promotion. With that attitude, the city's share will continue to shrink.

— THE NEW YORK TIMES.

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Editor for Asia, Michael Richardson, 5 Camerhurst Rd., Singapore 0511. Tel. (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Krumpohl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1190.
Gen. Mgr. Germany: T. Schlueter, Frankenstr. 15, 60323 Frankfurt/M. Tel. (069) 72 67 55. Fax: (069) 72 73 10
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Third American Empire, With a Balkan Frontier

By Jacob Heilbrunn and Michael Lind

WASHINGTON — Bill Clinton is depicting his decision to send 20,000 troops into Bosnia as a natural outgrowth of America's European alliance. But instead of seeing Bosnia as the eastern frontier of NATO, we should view the Balkans as the western frontier of America's rapidly expanding sphere of influence in the Middle East.

Until World War II, it should be recalled, the Balkans were considered not a part of Europe but of "the Near East." The fact that the United States is more enthusiastic than its European allies about a Bosnian Muslim state *reflects, among other things, the new* American role as the leader of an informal collection of Muslim nations from the Gulf to the Balkans.

The regions once ruled by the Ottoman Turks show signs of becoming the heart of a third American empire.

Since the late 19th century, the United States has had three empires (the term refers to voluntary groupings of client states as well as traditional colonies). In each case America has steadily expanded its global influence by imposing control over the former empires of defeated great powers.

The first American empire was created in the aftermath of the Spanish-American War in 1898 when the United States gobbled up Cuba, Puerto Rico, the Philippines and much of the Caribbean. It lasted until the end of World War II.

The second American empire, from 1945 to 1989, centered on Western Europe and Asia.

Now, in the years after the Cold War, America is again establishing suzerainty over the empire of a former foe. The disintegration of the Soviet Union has prompted the United States to expand its zone of military hegemony into Eastern Europe (through NATO) and into formerly neutral Yugoslavia.

Most important of all, the end of the Cold War has permitted America to deepen its involvement in the Middle East. Even before the war against Iraq transformed the United States into the dominant power of the Gulf region, it was laying the groundwork for the third empire by steadily building up its military commitments in the Middle East.

Shortly after the United States abandoned Vietnam, President Jimmy Carter presided over the Camp David peace accords, subsidized the Israeli-Egyptian peace and stationed American troops in the Sinai desert.

In January 1980, after the Iranian revolution and the Soviet invasion of Afghanistan, came the Carter doctrine: "*an attempt* by any outside power to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States." This was backed up with a rapid deployment force.

Following in Mr. Carter's footsteps, President Ronald Reagan upgraded that rapid deployment force into the United States Central Command, putting the American commitment in the Middle East on equal footing with those in Europe and East Asia.

The moment has come for the United States to consider reducing its ties in East Asia.

Since the Gulf war, the United States, to the fury of Islamic militants, has expanded its permanent military presence in Saudi Arabia and the surrounding emirates — even establishing the Navy's Fifth Fleet in the Gulf.

The increasing importance that America attaches to the region can also be detected in its new degree of intimacy with Israel. The Middle East is the one region of the world where the United States is building up its military deployments.

While the Middle Eastern core of this third empire is being consolidated, the European and East Asian protectorates that were the main elements of the second American empire are eroding. The American troop commitment to Western Europe has plummeted.

President Clinton has urged Germany to assume the burden of protecting Central Europe from a potentially hostile Russia. The main purpose of NATO countries, for the foreseeable future, will be to serve as staging areas for American wars in the Balkans, the Mediterranean and the Gulf.

Where does Asia fit into the third American empire?

It may not fit at all. An alliance with China can be flatly ruled out. As China's military buildup in the South China Sea and the recent imprisonment of the dissident Wei Jingsheng demonstrate, Beijing is determined to ignore or provoke Washington.

Nor is containing China a realistic option. A crusade to topple its government would be a recipe for disaster. It would only encourage China to vigorously support anti-American regimes like the one in Iran.

The tensions that are driving the United States and Japan apart are a result not of misunderstanding or demagogy but of a genuine clash of interests. Although Japan may modify its mercantilist trade and investment policies, the country's unique and successful business and political cartels will continue to create tensions with its trading partners.

The United States, for its part, has no interest in indefinitely acting as Japan's paid security guard. Even if a regional arms race between China and a more independent Japan were to develop, the United States would be in the fortunate position of outside arbiter.

Nor is the American alliance with South Korea likely to survive peaceful reunification, because the likely price for China's consent would be Korean neutrality and the evacuation of American troops.

The moment has come for the United States to consider reducing its ties in East Asia and negotiating new, more flexible security treaties with both Japan and South Korea that are not based on the fiction of identical interests. Reducing the American military presence there would free resources needed to bolster the new commitments in the Middle East and the Balkans — commitments that are likely to endure for a generation, if not longer.

Unlike the first two empires, the third one cannot be justified as a means of spreading democracy or self-determination. American leaders will always pay lip service to those ideals, as they did in liberating Kuwait from Saddam Hussein. But most of America's clients in the Middle East are authoritarian states or democracies troubled by the prospect of self-determination for their ethnic minorities.

Until now, the U.S. shift away from Asia and toward the Middle East has resembled the 19th century historian J. R. Seeley's famous description of the British empire as having been created in a "fit of absence of mind." But now President Clinton has made a high-stakes gamble in the Balkans.

The challenge of consolidating a new European-Middle Eastern sphere of influence while drawing back from Asia will require the United States to develop new NATO-like institutions and alliances to deal with the various protectorates that it has collected since 1990.

Whatever its ultimate contours, this newest empire must be backed up by adequate force if it is to be a going concern. Protectorates must be protected. For failure in Bosnia could undermine the third American empire before it has even been established.

Mr. Heilbrunn is a contributing editor at The New Republic. Mr. Lind, senior editor at The New Republic, is author of "The Next American Nation: The New Nationalism and the Fourth American Revolution." They contributed this comment to The New York Times.

For a Renewed NATO, the Obituaries Were Premature

By Robert Hunter

The writer is U.S. ambassador to NATO.

BRUSSELS — Since the end of the Cold War, NATO's obituary has been written many times: relic of the past, irrelevant to the future, its efforts to reform dismissed as a tired bureaucracy's last gasp. All this has now been proved wrong. NATO has taken charge from the United Nations of all military operations in Bosnia, and thus opened a new chapter in the alliance's history.

Sixty thousand troops are *arriving from all over Europe* and from farther afield. All 16 NATO allies are directly involved, and so far 17 other countries have volunteered to take part, including Russia.

The alliance is thus embarked on Operation Joint Endeavor, a yearlong effort to give the peoples of Bosnia a chance to choose a path different from that of the past four years.

This did not just happen. It is the culmination of more than two years of NATO planning, along with extensive allied military operations, from the blockade of the Montenegrin coast (Sharp Guard) to the nonstop control of Bosnian skies (Deny Flight). What NATO did in this past year was critical in bringing peace to Bosnia for the first time since 1990.

Most important, after the outrages at Srebrenica and Zepa, the North Atlantic Council finally agreed at the end of July on a truly robust air strike ultimatum. For the first time, all the allies gave full political support to a common vow to use air power effectively.

The upshot, after the market bombing in Sarajevo, was a three-week NATO air campaign that achieved all of its objectives and opened the door to Dayton, Paris and beyond.

The success of Joint Endeavor will have implications far beyond Bosnia. It can show the Russians that the West is sincere in its efforts to draw them into the outside world, aiding them to play a positive role in European security. It will further validate the stunning success of the Partnership for Peace by engaging partners directly in NATO military planning and execution. And it will further stamp NATO's role as a successful defense alliance.

Already, *Joint Endeavor* should have laid to rest lingering doubts about America's commitment to European security and willingness to lead.

NATO last year also advanced its preparations to take in new members. It completed on time a major study of the "how and why" of expansion and communicated it to partners both at NATO and in capitals. A stem-to-stern analysis of what it means to be a NATO ally, this study not only tells aspirants the rights and duties of membership; it also tells the allies what they must do to ensure that a larger NATO will be just as strong and adept as it is now.

This year NATO will open dialogues with countries that want to be considered for membership, intensify its work on Partnership for Peace as a permanent link to NATO and avenue for democratic reforms in post-Communist states, and further adapt the alliance — including creation of the new Combined Joint Task Forces.

The allies understand the profound implications of enlarging NATO, and are determined to get it right, through each painstaking step.

At NATO headquarters, therefore, we have now successfully created a new NATO, based on the successes of the past but heavily revamped to meet the precise challenges of the years ahead.

The blueprint was proposed by President Bill Clinton at the January 1994 NATO summit. It has long since been approved, and the building is well under way. All 16 allies are fully engaged. All sense NATO's clear and decisive role in helping to create a stable Europe, "whole and free," and see in this a common purpose that is successfully replacing the old glue provided by Cold War confrontation.

The past month has also seen France decide to become more deeply engaged in the military management of the alliance. France's new role in Brussels *will strengthen the basis for all* future NATO planning.

Finally, NATO has welcomed a new secretary-general, Javier Solana of Spain, direct from his success in the Spanish presidency of the European Union, which produced the new Trans-Atlantic Initiative. A consensus choice, he is already showing a deft capacity to lead the alliance.

The end of 1995 thus removed any basis for doubts about NATO's relevance and ability to renew itself.

International Herald Tribune.

To This Frenchman, That Maastricht Calendar Looks Tight

By Pierre Lellouche

The writer is a Gaullist member of the French National Assembly.

PARIS — It is impossible to think about Europe's future without taking into account what happened in the streets of French cities last month.

The European Union's Madrid summit meeting carefully avoided any mention of it, but the social crisis in France is the most serious since 1968. It is bound to bear heavily on future events and policies as we move toward next year's EU Intergovernmental Conference, and beyond to the single currency.

The single currency is not officially on the intergovernmental conference's agenda. From a strictly legal standpoint, nothing is supposed to delay or block the single currency; under the Maastricht treaty, it is supposed to take place at precise dates with precise criteria. The problem is that nations are not robots. Rigid legal schedules may have to yield to the reality of social tensions.

I voted for Maastricht, in spite of its many defects, just as I voted for the single currency. A single currency should protect Europe from competitive devaluations, which in the long run could destroy the single market by disrupting trade and penalizing virtuous states. Europe needs to become a zone of monetary stability in the face of continued fluctuations of the dollar and the yen.

I share with Jacques Chirac an acute awareness of the political significance of the target date of 1999, not just for the French-German relationship but also for the future of the European process as a whole. If France missed that rendezvous and a single currency were not achieved — and if France missed it because of its inability to conduct the necessary internal reforms — the balance of power between Germany and France would be profoundly transformed, with damaging consequences for the future of Europe.

I support President Chirac's determination to clean up France's finances and to cut its huge public deficits, which are slowly killing France's social welfare system as well as its publicly owned companies.

And I am not one of those who blame the other, the "foreigner" (be it Maastricht, Brussels or Germany's financial powers, Theo Waigel and Hans Tietmeyer) for French inability to carry out indispensable reforms. Maastricht or no Maastricht, France must go through painful reforms for the sake of its own economic health.

Having said all that, I am also skeptical of absolute truths, established once and for all by the priests of the monetarist religion. The single currency — if it ever happens — will not be imposed by decree. It will not be done against the will of the people but with them.

That is why we must open a public discussion in the following areas:

• All the future EU members from the East will stay outside the currency for a very long time, in addition to a majority of current members who are either not willing or not ready to join. The central question then is how to operate two monetary zones *within the same open trade area.* Are the "virtuous" nations expected to pay for the others in terms of jobs and delocalizations, and is that sustainable?

• If the single currency actually sees the light of day, can one seriously hope that it will put an end to the erratic fluctuations of the dollar? We all know that this has been a central weapon of the U.S. economy since the abrupt end of the Bretton Woods system some 25 years ago.

• Another issue is the institutional and political logic of the single currency. Maastricht was based on an unstable cohabitation between a European central bank responsible for carrying out the monetary policy of the whole and the national governments, with their own budgetary and fiscal policies. Today, with good logic, many Germans tell us that such a system will not be enough to guarantee the stability of the future currency, and that they, understandably, are reluctant to pay for the fiscal or budgetary misconduct of their partners.

The German logic is therefore that monetary union should go hand in hand with a real "political union," or at the very least with a "stability pact," allowing some joint control of national economic policies.

Does this mean that the single currency necessarily would remove control of budgetary and fiscal policies from elected governments and hand it to bankers in Frankfurt? And what would remain of the founding principle of democracy, "no taxation without representation"?

• Last but not least, is the Maastricht calendar compatible with the time needed to institute reforms? In France, where workers have just demonstrated the depth of their resistance to changes in costly social programs, the tight deficit-reduction schedule imposed by Maastricht may well in the end jeopardize both the policy of internal reforms and the goal of the single currency.

Taxes, already very high, unfortunately have had to be raised again to salvage the social protection system and the public companies; interest rates are high; the currency is overvalued, which hurts exports, and unemployment has reached a socially intolerable level.

A very tight deficit reduction calendar could well lead France straight into deflation again, with its well-known chain of nasty consequences: a fall in consumption, a fall in industrial production and investments, higher unemployment levels — all leading to a drastic fall in tax revenues that would make the Maastricht target of cutting the deficit in half (from 6 to 3 percent of gross domestic product) by 1998, when the Union will decide which countries are ready to join a single currency, simply impossible.

Can France do all of this at once: balance its finances, stimulate growth and employment, carry out structural reforms and cut by half the budget deficit, all in the span of three years? That is the fundamental question before us today.

Each of these objectives is necessary. And I believe in Europe as well as in the French-German relationship. But I doubt that all these goals can be crammed into such a short time.

What the French economy desperately needs is a major effort at boosting growth and consumption, with, among other things, a drastic cut in interest rates and an increase in personal revenue. This is the only way both to reduce deficits and eventually reach the single currency without deepening further the internal social fractures in the country.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Alaska Line

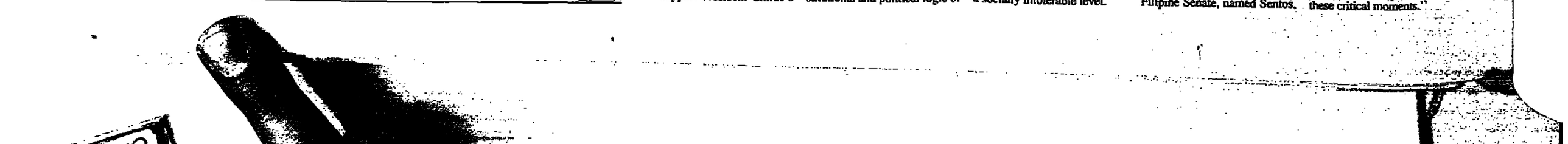
NEW YORK — The commissioners on the Alaskan boundary have signed a report that, finding it impossible to run the boundary line between Alaska and British America as laid down in the treaty between Russia and Great Britain, a new line must be agreed to. The whole trouble seems to have arisen over the question of what constituted the line of coast mentioned in the Russian cession treaty. The British desire to draw the coast line outside the line of the archipelago. The United States holds firm to its original survey which, on the map, is ten marine leagues from the coast of the mainland and within the bounds specified by the cession.

1921: Pants Required

PARIS — [The Herald says in an Editorial]: A member of the Filipine Senate, named Sentos, would deprive indigenous inhabitants of their immemorial right to nudity. There must be a strain in Mr. Sentos of the puritanical temperament. He takes no account of the fact that custom robs nudity of vicious suggestion, and thinks that the interior tribes of the Philippines will never be in their right minds until "pants" become a "sine qua non" of their costume. How about a straight jacket for Mr. Sentos?

1946: Franco Protests

MADRID — Generalissimo Franco told a delegation of jurists that Spain is being treated abroad with "absolute lack of justice," but that he is confident that this will be overcome. He told the jurists: "The injustice with which Spain is being treated could do no less than arouse the spirit of our supreme magistracy to demonstrate Spanish union in these critical moments."



OPINION/LETTERS

A Paranoid's Dream: The Stone Connection

By Jim Hoagland

WASHINGTON — The year's first dream came after a day of movie-going, magazine-reading and a sandwich at midnight. In the near future, a stern psychiatrist was asking about the exact moment that I deluded myself into believing the director Oliver Stone had taken over William F. Buckley's National Review magazine. I began to babble:

Sorry, doc. I can't remember. But it must have been soon after Mr. Stone's "Nixon" came out.

As I said on your previous visits to my cell, it seems obvious now: Mr. Stone would not long restrict himself to cinematic revisionism of events and people already cold on the slabs of the mind's morgue: Vietnam, JFK, Nixon. Distorting events already receding into history's advancing shadow was child's play.

No, he would have eventually understood that distorting the present is a greater, more rewarding challenge. Bear with me, doctor. This is a truth that does not come out of the inkblots of facts.

Mr. Stone must have seen that the true business of modern politics is revising history as it happens, not some years later. Before facts and words harden into history on the evening news in this electronic era, the politicians race to stir and rearrange them for immediate advantage.

In part that means persuading the electorate that it is not seeing and hearing what it is seeing and hearing. The current battle over the federal budget deficit is an important example:

Republican Instant Revisionism 101 requires you to speak only of balancing the budget for future generations, even though your real aim is to cut taxes and cripple the federal government's powers now. On the other side of the aisle, Democrats in Demagoguery 101 fight against *making wealthy recipients of Medicare* pay premiums according to their means and then claim they are only protecting the poor.

Yes, I know, I digress. What, you ask insistently, does this have to do with Oliver Stone and National Review, the lively opinion sheet that is firmly anchored on the right, far from Mr. Stone's left-wing paranoia?

It was only in January 1996, that I began to see this, doc. There was the movie, in which Mr. Stone has his cinematic Nixon acknowledge being a pawn of the hidden system — "the beast" — that runs America. And there was National Review, reporting that the current president had sold out brave patriots in Eastern Europe.

The article explained that the Clinton administration had betrayed Eastern European countries wanting to join NATO to get Russia to send 1,000 troops to serve in Bosnia under U.S. command. In a secret accord, the article said, President Bill Clinton has promised Moscow that "in return for its cooperation with the United States in Bosnia peacekeeping, NATO enlargement will be put on the back burner."

But get this: Who do you think wrote the article? Peter Rodman, director of national security programs at the Nixon Center for Peace and Freedom. Nixon! And Mr. Rodman worked for Henry Kissinger in the Nixon White House. What more evidence of a connection to Oliver Stone do you need, man?

Even before the article was published, Mr. Rodman's assertions were the basis of a question on national television directed at the secretary of state, Warren M. Christopher.

Mr. Christopher denied it. But he would, wouldn't he? And Mr. Rodman and Mr. Stone have never met, have never discussed "Clinton," the Bosnia betrayal screenplay. Of course. Of course, doc. But they will in my next movie, or my next Review article. Truth is too important to be tied down by mere facts.

Washington Post Writers Group.

The Christian Science Monitor
Los Angeles Times Syndicate

How a U.S. Counsel Saved Me in Zaire

By Lucy Komisar

WASHINGTON — I saw the other day that the Republican budget-cutters have forced the State Department to close or schedule for closing several U.S. diplomatic and consular posts around the globe. It sent my thoughts back to Zaire, which I had visited in August 1990 to do research for a book on U.S. foreign policy and human rights.

I had gone to Zaire's second city, Lubumbashi, the capital of

MEANWHILE

the important copper region, to look into reports of an army massacre of several hundred students a few months before. Late one afternoon, a day or two after my arrival, an official of the Zairean immigration service came to my hotel and ordered the desk clerk to tell me to come down from my room with my passport. The clerk phoned and softly added a warning: "Do not give it to him, madame."

I was immediately alarmed. I had heard that immigration officials routinely take passports, then refuse to return them without bribes. In one celebrated case, a journalist had been forced to remain "for investigation" for several days until the authorities finally returned her documents.

And there had been earlier signs of trouble. The hotel staff had warned me the day before that security agents had been asking about me. An interview I was having in a hotel restaurant had ended abruptly when a waiter handed my subject a note warning that security agents were watching us.

I took the creaky elevator downstairs and saw a burly Zairean official waiting at the reception counter. When I asked to see his identification, he showed me a card — with a thick finger hiding his name.

"I'd like to see your name," I said.

He pulled his hand away and turned menacing: "I can bring you to headquarters!" he said.

I backed off and hurried to a phone booth. Thankfully, I had written in my notebook the home phone number of the U.S. consul in Lubumbashi, James Yellin.

"Don't give him the passport; I'll be right there," Mr. Yellin said when I got him on the line. It seemed only minutes later that the counsel arrived at the hotel and identified himself to the disappointed immigration official.

The hotel clerk caught my eye and nodded: "It's OK now, madame."

The agent examined my passport in exaggerated detail. "Everything is in order," he mumbled, and he left.

The next day was to be my last in Lubumbashi. I was expecting a package of papers from someone I had interviewed, but when it didn't come at the appointed time, I checked out of the hotel, loaded my suitcases into a taxi and set off for an interview with a local chief. I told the desk clerk my destination so a messenger could bring the papers there.

I was sitting in the chief's house when our talk was interrupted by a phone call from the hotel. The hotel clerk said I had been followed by security agents; the clerk had already informed the American consulate.

A few minutes later, Mr. Yellin telephoned, and after some brief pleasantries — "Yes, yes," said the chief, "we really must get together" — the two men decided that it would be best if the consul sent an official car for me.

The car took me to two subsequent appointments, with a stop for lunch at the consul's residence. Then, the No. 2 official in the consulate, together with the "expediter" (necessary in countries where bureaucrats and officials pillage instead of serve), took me to the airport, drove the consulate car to the edge of the airfield, retrieved my boarding pass so I would not have to face more security agents in the waiting room, and stayed on the spot until I boarded the plane.

The American consulate in Lubumbashi was shut last year. Would the budget-cutters in Congress be gratified to learn that security officials in Lubumbashi were pleased?

The writer is a journalist is New York. She contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

Cyprus's Status

Regarding "Greece Is Lukewarm to 'Push' on Cyprus" (Dec. 21) and "A Sad Greek Ending" (Opinion, Dec. 19):

I am greatly disturbed by your use of the phrase "when Turkey invaded Cyprus in 1974" whenever the topic of Cyprus is under discussion.

This statement is one-sided and incorrect. Turkey intervened, after a coup by those seeking union with Greece, to save the Turkish Cypriot community from a massacre that had already started (and to save President Makarios himself from assassination).

D. YAVUZ.
Wassenaar, Netherlands.

Although the United Nations knows very well that Turkey invaded Cyprus in 1974, it continues to view the tension there as a dispute between two communities, the Greek Cypriots and the Turkish Cypriots.

This is an outrage. The Turks occupy a third of Cyprus with their army, have imported settlers to take over land once held by Greeks and have created a Turkish state recognized only by Turkey. It is odious for the UN to treat the Turkish Cypriot leader, Rauf Denktash, as worthy of respect.

GIANNINI ODISSIA.
Larnaca, Cyprus.

French Outrage

In discussing the strike in France, William Pfaff *("U.S.-British Capitalism or Europe's Model of 'Social' Capitalism," Opinion, Dec. 15)* talks about "free universal health care." Health care is not "free": workers pay for it with their taxes. In fact, the employers contribute 43 percent above their employees' salaries for social charges, while the workers themselves fork over 18 percent of their incomes to pay for public health plans, retirement and unemployment insurance. The unions say the French pay more for their health care and are reimbursed less than residents of any other country in Europe.

It is amazing that France, taxed to the eyeballs, still generates the world's fourth largest economy.

The French know they have to reduce the social welfare deficit. But they were thrown a series of unpalatable measures and told to like it or lump it by Alain Juppé, a prime minister in office for less than six months.

Mr. Juppé was arrogant and insulting in his effort to sneak this by his own countrymen already angered by public corruption; expensive and unpopular nuclear testing in the South Pacific; the astronomical losses of the state's Crédit Lyonnais bank; and the news about the state-owned apartments for which Mr. Juppé and his family paid below-market rents.

LINDA WATTEN.
Montigny-la-Resle, France.

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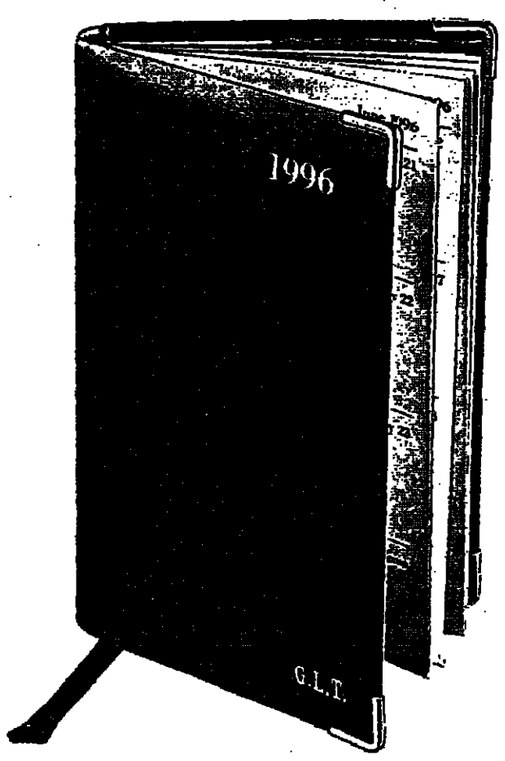

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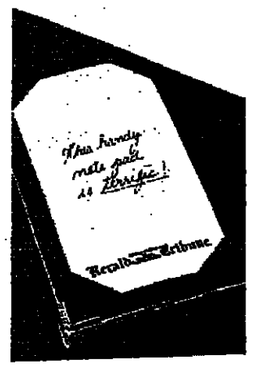

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INTERNATIONAL

U.S. Forces Tread Lightly on Opening Bosnian City to Atrocity Probe

By Rick Atkinson
Washington Post Service

TUZLA, Bosnia-Herzegovina — Even as U.S. armored forces move into northeastern Bosnia, commanders remain uncertain how and when to allow investigators access to the Serbian-held city of Srebrenica, scene of what is believed to be the worst atrocity in the Bosnian war.

Srebrenica, where an estimated 6,000 Muslims allegedly were killed and buried in mass graves after the enclave fell to the Serbs in July, lies on the eastern periphery of the U.S. sector in Operation Joint Endeavor. That hard geographic reality makes the city a political land mine, and senior officers are treading softly.

"We'll have to address that when it comes up," General George A. Joulwan, NATO'S supreme commander, said in an interview. "There needs to be freedom of movement. We need to anticipate that. But right now my emphasis is to set the force."

The focus on the U.S. deployment has been on bridging the Sava River in the north and mustering tank units in the Posavina corridor, a bitterly contested neck of land connecting the two large Serbian-held areas of Bosnia. But Srebrenica is no less a tinderbox than Posavina, if only because it has come to symbolize the character of the Bosnian war and the West's belated decision to intervene. For the U.S. Army, the city also represents a potential deviation from narrow military tasks, into the slippery world of Bosnian politics, international justice and moral obligation — what one planner calls "mission creep of the highest order."

Yet, the Clinton administration has kept a spotlight on Srebrenica by making it a litmus test of Belgrade's sincerity and the Bosnian Serbs' fidelity to the Dayton peace accords.

Madeleine K. Albright, the chief U.S. delegate to the United Nations, implied two weeks ago that the United States might block Belgrade's attempts to rejoin the UN unless the Serbian government cooperates with war crimes investigators probing the massacre. Yugoslavia, which now consists of Serbia and Montenegro, was expelled from the General Assembly in 1993 for fomenting the Bosnian Serbs' campaign of forced expulsions and killings known as "ethnic cleansing."

And on Dec. 21, the Security Council, at Washington's urging, demanded that Bosnian Serbian officials allow investigators unimpeded access to the Srebrenica area to collect evidence.

The council's resolution cited summary executions, rape, mass expulsions, arbitrary detentions, forced labor and large-scale disappearances among crimes under investigation. "An unknown but large number of men in the area of Srebrenica, namely in Nova Kasaba-Konjevic Polje, Kravice, Rasica Gai, Zabrde and two sites in Karakaj, and possibly also in Bratunac, and Potocari, have been summarily executed by Bosnian Serbs in paramilitary forces," the council asserted.

Each of those places lies within the northeast sector, now a military zone controlled by the U.S. Army.

Srebrenica sits on the eastern fringe of the zone assigned to the 2d Brigade of the 1st Armored Division, roughly equidistant between the Russian zone (within the U.S. sector) to the north and the French sector to the south.

Because the 2d Brigade hardly has more than one platoon in its command group in Bosnia — the entire unit of about 4,000 soldiers will not be in place for weeks — rolling out to Srebrenica is not an immediate option.

But commanders are beginning to wrestle with their legal and moral obligations, knowing that the issue lurks on the horizon.

"I don't think there's really any guidance from higher on this," an officer said, referring to the North Atlantic Treaty Organization's chain of command, which leads from Tuzla to Sarajevo to Naples to Mons, Belgium, where General Joulwan has his headquarters.

NATO commanders have said their troops will detain any of the 52 Serbian and Croatian men indicted in The Hague for war crimes, if they happen upon them. Among those formally charged with inciting mass murder in Srebrenica are the Bosnian Serbian political leader, Radovan Karadzic, and General Ratko Mladic, the military commander.

But NATO officers have made no secret of their desire to avoid entanglement in police functions. Srebrenica is such an explosive and emotional issue that, if aggressively pursued, it could cause cornered Serbs to lash out at the Americans, whom they already suspect of strongly favoring the Muslim-led Sarajevo government. In meetings with all the faction commanders operating in his sector, Major General William L. Nash, commander of U.S. forces in Bosnia, has stressed NATO's policy of even-handedness.

The Dayton accords require Serbia, Bosnia and Croatia to cooperate with the UN war crimes tribunal established three years ago, the first such body since the trials at Nuremberg and Tokyo after World War II. The treaty also calls for "complete and unimpeded freedom of movement" throughout Bosnia for NATO and its affiliated forces.

Iran Acknowledges Strains With Syria on Peace Policy

Agence France-Presse

TEHRAN — Foreign Minister Ali Akbar Velayati acknowledged Wednesday that there were differences between Iran and Syria, its strategic ally in the Middle East.

"We have good and friendly relations with Syria, but that doesn't mean all our foreign policies are in line," Mr. Velayati said.

Vice President Hassan Habibi on Saturday called off a visit to Syria, planned for this week, amid apparent strains in relations over Damascus's efforts to make peace with Israel, the Islamic republic's arch-foe.

The foreign minister said Mr. Habibi's trip had "not been canceled but postponed." He did not give a new date.

"Syria is an important Arab country and we will continue our cooperation," he said. Mr. Velayati said he hoped Damascus would continue to support the anti-Israeli resistance in Lebanon, notably the Iranian-backed Hezbollah.

Iranian officials and the press have sharply rebuked Syria for resuming peace talks with Israel and backing the United Arab Emirates in a territorial dispute with Iran.

■ Israel Is Cautious

Foreign Minister Ehud Barak of Israel said Wednesday that Israel did not expect the current round of talks with Syria to result in a declaration of principles, The Associated Press reported from Jerusalem.

The talks were to resume Wednesday near Washington.

"My feeling is that it is too early," Mr. Barak said, suggesting the two sides would not be ready to draft an understanding until they worked out a definition of peace.

"There is a need to look further into the meaning of peace and the nature of normalization, what it means to establish relations."

But Uri Savir, Israel's top negotiator, told Israel's Army Radio on Wednesday that the sides might issue a joint statement at the end of this round "if there is a common basis."

"What is important is to make progress and to protect the interests of the state in such an agreement, which will also, I hope, bring an end to conflict in the region," added Mr. Savir, who is director-general of Israel's Foreign Ministry.

Mr. Barak said he expected the Syrians to be more forthcoming about the nature of peace in the talks.

"I expect further clarification of how they see the possibility of normalization and cooperation of many sorts, and I look at it in an optimistic way," he said.

Mr. Barak said he did not expect this week's negotiating session to be extended due to Secretary of State Warren Mr. . Christopher's scheduled visit to the Middle East next week.

Syria wants Israel to cede all the Golan Heights, captured in the 1967 Middle East war and later annexed, in exchange for a peace agreement. Israel says the depth of withdrawal will depend on the quality of the peace that Syria offers in return.

Finger-Pointing Over Cali Crash

The Associated Press

MIAMI — The crew of the American Airlines jet that crashed in Colombia was misled by an air traffic controller who did not know the jet's location, two of the airline's veteran pilots told The Miami Herald.

The pilots' opinion of what led to the Dec. 20 crash that killed 160 people was based on a review of a transcript of the flight's pilot-to-ground conversations, the newspaper reported.

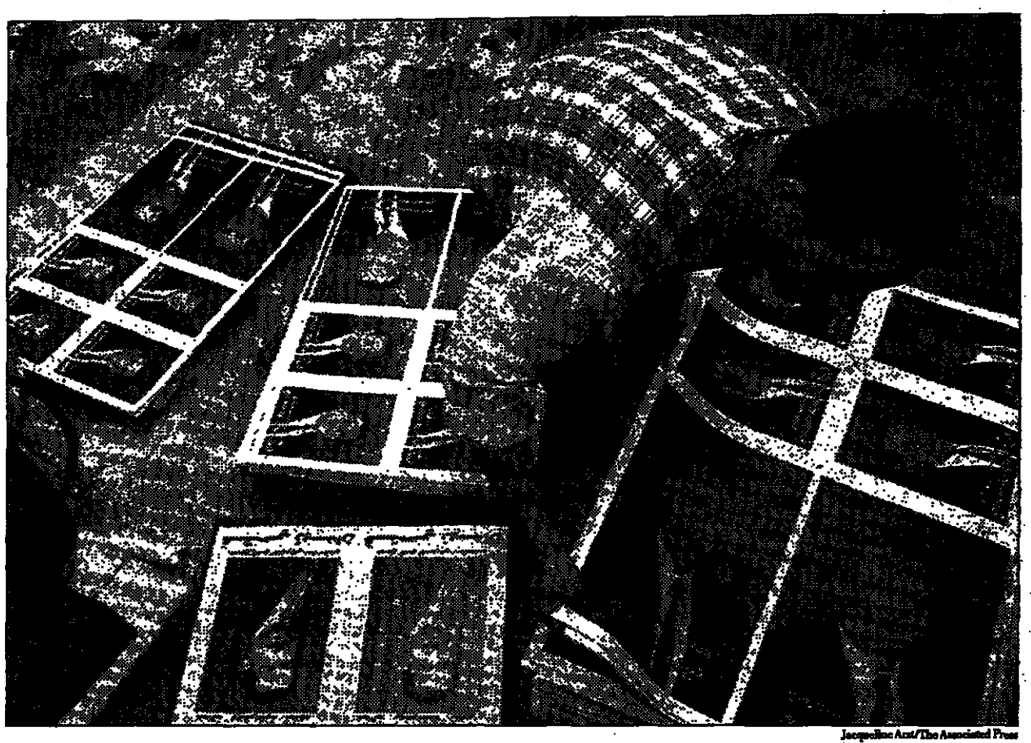
The crash occurred shortly after the controller told the crew to fly over a radio beacon at Tulua, about 64 kilometers (40 miles) north of the Cali airport. At the time, the plane had already passed Tulua.

The two-man crew was trying to turn around to go back to Tulua when the plane crashed.

The controller and the crew had vastly different ideas of the airplane's location because of misunderstandings throughout their conversations, the two pilots told the newspaper.

The pilots, who spoke anonymously, are both experienced flying to Cali. They said they were unhappy with a preliminary report from Colombian aviation authorities that blamed the crew.

An American Airlines spokesman declined to comment on the pilots' interpretation.



Jacqueline Arzt/The Associated Press

A worker in Ramallah handling election posters Wednesday for the coming elections for a Palestinian legislature.

Perry Takes New Bridge Into Bosnia

Reuters

ORASJE, Bosnia — The U.S. secretary of defense, William J. Perry, walked across a muddy pontoon bridge into Bosnia on Wednesday and declared the start of a new era for peace in the country.

He came to Bosnia to oversee progress in America's biggest military operation in Europe since World War II — the deployment of 20,000 soldiers over the next few weeks as part of the NATO force in the region.

Mr. Perry toured Sarajevo's destruction and walked across the Sava River bridge from Croatia between clanking U.S. armored cars.

The American pontoon bridge, which was built days ago amid winter storms, was described by the secretary as a triumph of the human spirit over nature.

Mr. Perry is the first senior U.S. government official to visit U.S. troops in Bosnia.

President Bill Clinton is expected later in the month.

PROFITS: *Payouts Plunge, but U.S. Firms' Investments Are Up*

Continued from Page 1

dustry. Much of the money that companies have spent has gone to investment in new plant and equipment, said Robert Barbera, the chief economist of Capital Investments International, a New York investment advisory firm. Such spending appears to have risen about 10 percent last year.

But a lot of the money has been salted away for a rainy day or perhaps more appropriately for a recessionary year by companies worried that the boom years will fade.

The figures released Tuesday by S&P showed that 1,907 companies announced dividend increases in 1995, up 4.4 percent from 1,826 in the year earlier and the most for any year since 1981. At the same time, the number of companies announcing bad news — either a reduction or elimination of a payout — fell to 128 from 136 in 1994. It was the smallest such figure since S&P began keeping count in 1955.

Mr. Kaufman said that while final figures for 1995 profits would not be in for some time, the current estimate was that companies in the S&P 500 index paid out just 37.5 percent of their after-tax profits to shareholders.

If that figure stands up, it will be the lowest since that statistical series began in 1928. The old low mark came in 1979, when just 38 percent of profits were paid out. In 1994, the ratio was 43 percent.

The figures indicate what a golden age this is for corporate managers. International competition has helped to hold down compensation costs for many companies, thus pushing up profits. But with shareholders generally happy, there has been little pressure to raise dividends, leaving companies with more freedom to invest the profits as they see fit.

Government figures indicate that corporate profits amount to about 10 percent of national income, up from 7.5 percent as recently as 1991 and the highest since 1978.

As 1995 ended, it appeared that companies might be even less eager to pay money to shareholders.

The amount of cash paid to shareholders in S&P 500 companies in December was below the amount paid a year earlier, and the number of companies raising dividends was just 136, the lowest for any December since 1992 and 21 percent below 1994's level.

BOSNIA: *Civilians Held*

Continued from Page 1

stronghold during the three-and-a-half-year war — since NATO reopened roads last month.

Bosnian Serbian sources suggested that at least some of those detained had taken literally the freedom of movement promised in the peace accords.

Two of those detained were arrested while trying to buy meat, while another two were held after going to their old apartments in Serb-held Ilidza to check on them, the sources said. Serbian refugees now living there summoned police, the sources said.

The French Foreign Ministry announced on Wednesday announced that three of those detained had been released by the Serbs.

But senior Bosnian government official, Amir Hadziomeragic, denied that any of the captives had been released, saying those freed were three women who strayed into Serb territory on Tuesday and had nothing to do with the 16 the Serbs were keeping.

Forces of the North Atlantic Treaty Organization suffered two new casualties Wednesday in Ilidza as two British soldiers were wounded by an explosion in a hotel complex that is to serve as a future NATO headquarters.

A NATO statement said the cause of the explosion was not clear.

The soldiers were being treated at a French field hospital, and their injuries were not thought to be life-threatening. An American soldier was injured in a mine explosion Saturday.

ASIA: *Markets Wish for a Prosperous New Year*

Continued from Page 1

1,020.11, to reach a four-month high. Even Chinese stocks listed in Hong Kong, which collectively declined 29 percent last year, staged their sharpest one-day rally in eight months.

"It won't be a repeat of 1993," said Pauline Gately, regional strategist for Merrill Lynch (Asia Pacific) Ltd. in Hong Kong. "But foreign investors will definitely be more attracted to the Asian markets this year."

Three years ago, a flood of largely foreign money poured into Asia's stock markets, helping drive prices to record heights not seen since in most regional stock markets outside Japan.

But sharp reversals in most Asian stock markets began in February 1994 after Federal Reserve Board policy-makers started to raise U.S. interest rates to stave off inflationary trends in the U.S. economy.

Despite generally higher overall growth rates for Asian economies and profit growth by individual companies based in Asia, many local stock markets' performance languished throughout 1994 and 1995 by comparison with those in Europe and North America.

International investors' concern about the staying power of so-called emerging markets after Mexico's decision to devalue its peso in January last year also contributed to a subdued scenario for Asian markets.

With the exception of Hong Kong and Australia, the two strongest Asian performers in 1995, most markets had lackluster, even dismal, years as domestic investors joined the foreigners on the sidelines.

But, two years and an apparently successful fight against inflation in the United States, investors may again start focusing on equity opportunities in fast-growing Asia — at least that is the argument from many strategists based not only in Asia but on Wall Street as well.

On Wall Street, several analysts told The New York Times that the favorable trends in American markets were spreading overseas.

"The factors which have made U.S. markets do well will gradually apply to foreign investments that are in good growth areas," said David R. Malpass, director for international economics at Bear, Stearns & Co.

Charles I. Clough Jr., chief investment strategist at Merrill Lynch & Co., said, "Deflationary pressures roam throughout most of the developed world and downward pressures on money rates and bond yields should persist." Merrill Lynch recently forecast that emerging markets in Latin America, the Asia-Pacific region and Europe would continue to recover in 1996 from their recently depressed positions.

"We are unlikely to see it again," said Mark Konyn, chief investment officer at Indosuez Asset Management Asia Ltd. of the mania of late 1993 and January 1994. "But a lot of the conditions are the same."

Asian markets, on average, are now at the bottom of their historical measured ranges of valuation, based on price to expected earnings ratio. Mr. Konyn said Asian stocks were at a price-to-earnings multiple of 14, compared with an average 18 to 19 since 1989.

After strong gains in U.S. stocks in 1995, prices of Asia's higher growth stocks are at a mere 10 percent premium measured against those in the United States, using a price-to-earnings ratio barometer. At the height of Asia's 1993 boom, that premium had reached 70 percent.

Agence France-Presse

WHERE THERE'S SMOKE — Russian firemen battling a fire in a burst oil pipeline across the Belaya River.

Winter Ritual for Butterflies Brings Death in Mexican Snow

By Julia Preston
New York Times Service

MEXICO CITY — The monarch butterfly may look fragile, but underneath those delicate orange-and-black wings is one tough customer. Every year monarchs brave gales and downpours to fly from their summer haunts in Canada all the way across the United States to a winter refuge in central Mexico.

But monarchs are not made to survive snow. And on Dec. 30, in a rare cold spell, almost 12 inches (30 centimeters) of snow fell in the fir-topped mountain reserves where tens of millions of monarch butterflies were clustered for their winter sojourn.

Environment officials of the Mexican government estimate the freeze killed up to 15 percent of the monarch population. But Homero Aridjis, a leading Mexican environmentalist, said the death rate could be as high as 35 percent of the colony.

The new monarch freeze is especially serious because it comes after an adverse migratory season for butterflies moving north from Mexico. There was a chilly spring and a dry, baking summer in the eastern United States. American butterfly watchers noticed a thinning in the monarch flocks.

"A combination of things this past year did not favor their reproduction," said Professor Orley Taylor, an entomologist at the University of Kansas and founder of a group call Monarch Watch whose volunteers around the United States track the butterflies' migrations.

"The problem with natural history is that a couple of disasters one after the other can suddenly become devastating to a whole population."

In an astonishing pilgrimage, monarch butterflies that spend the summer across Canada, Maine and the Great Lakes states all concentrate during the winter months in one region west of Mexico City, which straddles the states of Michoacan and Mexico.

In 1986 the Mexican government created five separate nature reserves in the area, on mountaintops at an altitude of about 11,000 feet (3,300 meters), covered with the fir trees the monarchs prefer.

On Tuesday, in spite of rising temperatures, government forest rangers and biologists who toured part of the reserves said there were snowbanks littered with thousands upon thousands of frozen monarchs, with many butterflies buried under the snow. According to a 1994 census, at least 60 million monarchs live in the reserves.

A similar snowstorm in 1992 killed as much as 80 percent of the butterflies in some spots in the reserves, according to Lincoln Brower, a zoologist and monarch expert at the University of Florida at Gainesville. The loss of life caused an ebb in the monarch migrations to the northeastern United States the following spring. But the monarchs bounced back in 1993, Mr. Brower said.

But butterfly scientists are concerned that the slow logging of the fir trees in the Mexican reserves, despite government prohibitions, is leaving the monarchs more vulnerable to severe storms and cold. Local farmers who make a meager living by selling lumber and firewood have continued to quietly cut the trees.

Mr. Brower said his studies show that rain-dampened butterflies are much more likely to die in freezing weather than dry ones. Also the monarchs tend to live in dense layers on top of one another on trees, and the butterflies at the bottom of the pile are more likely to survive than those on top. The loss of trees and their canopies makes it more likely that the butterflies will be exposed to rain and snow.

"The more these forests are degraded, the more holes there are in their blanket," Mr. Brower said.

HEALTH/SCIENCE

Computer Talk About Spread Of Language

By George Johnson
New York Times Service

NEW YORK — Linguists have long agreed that languages as diverse as English, French, German, Iranian, Albanian and Armenian all descended from a long-dead tongue, Proto-Indo-European, spoken about 5,000 years ago. But the exact nature of the relationship has been a matter of dispute. How should the family tree of the Indo-European languages be drawn?

Recently, in what some linguists welcome as an important development in linguistics, researchers at the University of Pennsylvania have proposed an answer.

The research is by two linguists, Drs. Don Ringe and Ann Taylor, and a computer scientist, Dr. Tandy Warnow.

Linguists often depict the principal Indo-European language groups as 10 equal branches radiating like spokes from a wheel. But they do not seriously suppose that all these splits could have occurred simultaneously.

More likely, one group parted ways, then another, which might have fractured into two more. When linguists sit down and calculate the possibilities, they are overwhelmed by the more than 34 million ways the genealogical chart for all the Indo-European languages could be drawn.

Using a new computer program, the researchers have sifted through the myriad possibilities and come up with what they believe is the general shape of the tree.

According to their picture, the first to split off from Proto-Indo-European was Anatolian, an extinct group of languages, including ancient Hittite, which were once spoken in Turkey.

Next to split off were Celtic, which gave rise to Irish, Gaelic, Welsh and Breton, and Italic, the precursor to Latin and the Romance languages. These were followed by Armenian and Greek. Among the last to split off were the Indic and Iranian languages.

The implication is that the tree shows, in schematic form, how the descendants of the original Indo-Europeans might have spread across Europe and Asia. Consider, for example, the puzzling case of the ancient Germanics. Their language, which gave rise to English, Dutch and German, has stubbornly resisted efforts to fit it into the Indo-European tree.

The new genealogy offers a possible reason: an early ancestor of the Germanic language was closely related to Balto-Slavic, whose modern descendants include Lithuanian, Latvian, Russian, Czech and Polish. Then its speakers migrated westward, coming into contact with speakers of Italic and Celtic. "What really surprised us was that we were able to come up with a clear and consistent explanation for Germanic," Dr. Ringe said.

USING an algorithm, the researchers analyzed 12 languages representing the 10 major Indo-European branches. The computer grouped the languages according to whether they shared certain similarities.

For example, "k" sounds at the beginning of Indo-European words become "h" sounds in the Germanic languages.

While the initial consonant in the Latin word "cornu" (meaning horn) is preserved in French ("corne") and Spanish ("cuerno"), it shifted in ancient Gothic to "haurn" and is reflected in German as "Horn," in Dutch as "hoorn" and in Norwegian and English as "horn."

Twisting in the Wind: The Football as Gyroscope

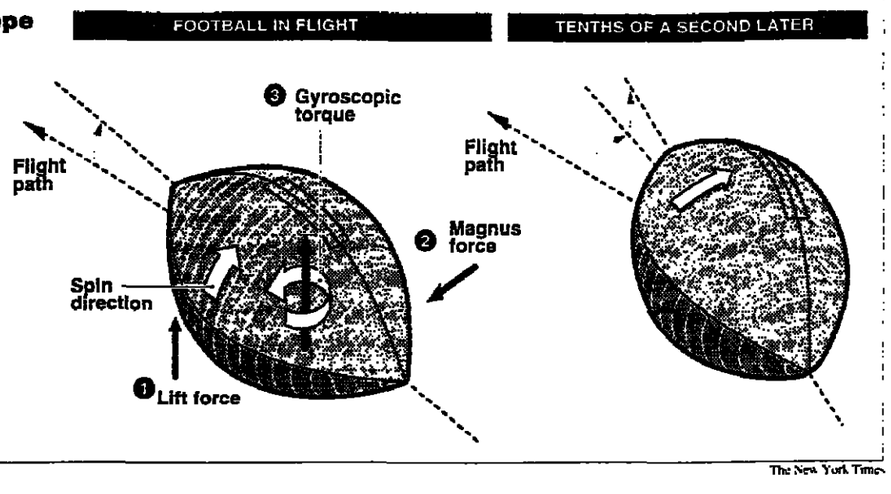
Several forces are at work on a football (contours shown in white) moving along its flight path.

1. Air colliding with underside of ball, near nose, generates lift force; it creates torque tending to raise the nose. However, ball acts like a gyroscope, so nose does not rise, but moves to the right, as shown in second figure.

2. Air moving over the ball acts on the right side, in the Magnus force. It appears to act near rear of ball, creating torque that tends to turn the nose to the right.

3. Torque is generated because the ball is on average being rotated in a nose-down direction by gravity. This torque tends to turn the nose to the left. Evidently, the three torques add up to zero in a forward pass.

Source: Dr. William J. Rae/State University of New York at Buffalo



The New York Times

Why Quarterbacks Go to College: Football Physics

By Warren E. Leary
New York Times Service

NEW YORK — As Americans sat down to Tuesday night's Fiesta Bowl, watching Nebraska and Florida battle for the national collegiate title, Dr. William J. Rae of the State University of New York at Buffalo was paying particular attention to any long passes the quarterbacks toss down field because he is trying to figure out why a football flies the way it does.

"It turns out that the flight of a football is almost as complicated as the flight of an airplane," said Dr. Rae, a professor of mechanical and aerospace engineering. "but we know less about the football."

Dr. Rae is one of a handful of engineers and physicists who study the physics of football and other sports, mostly to develop ways to keep their students interested while learning about such complicated subjects as fluid dynamics or torques, the twisting forces that act on rotating bodies.

"I wanted to get past the glazed eyes when I started talking about gyroscopic torque, so I started using the flight of a football as a way to demonstrate it," he said in an interview. "However, there turned out to be more to it than I realized."

Dr. David G. Haase, a physicist at North Carolina State University who also studies sports, said many athletes unconsciously understand the physics of sports through practice and playing.

"But they could never explain the forces involved, which is where we come in," he said. "What we learn about the physics of football or basketball is fun for the rest of us, especially teachers."

Dr. Haase and other physicist students of sports said they doubted that what was learned about football would have a direct effect on the game itself. "I don't think it will affect play because players know instinctively how to do this," he said. "You won't see people change the design of the football or anything like that because of physics."

In more than five years of looking at football dynamics, Dr. Rae has done computer simulations of the forces acting on a flying ball and developed mathematical equations explaining the interactions.

In addition, he has done frame-by-frame analysis of video tapes of long, forward passes. He now plans to advance his unfinanced research by constructing a special football fitted with sensors and testing it in a university wind tunnel.

Contrary to what many sports fans might think, a spiral pass thrown by a quarterback does not fly like an artillery shell or a missile, Dr. Rae said. These projectiles, responding to aerodynamic torques, tend to swerve to the right or left at the end of their flights, he said, but footballs do not.

To explain this behavior, Dr. Rae has proposed a theory on how counteracting torques keep a well-thrown ball from drifting off its flight path to a receiver.

When an oblong object that is not equipped with stabilizing fins is thrown or shot, it usually becomes unstable and tumbles end over end. One way to stabilize these objects is to spin them, as done by rifling in a gun barrel or a quarterback's throwing hand.

But the spin of a throw, which turns the ball at 400 to 600 revolutions a minute around the long, central axis running from end to end, is not the only thing that keeps the pigskin from deviating from its trajectory, Dr. Rae said.

When a football is tossed at 40 miles an hour (65 kilometers an hour) along an arching flight path to give it the slightly wobbly behavior often seen in slow-motion replays, three different kinds of torque are shaping its motion, he said. The wobble, which causes the front end of the football to trace out a circular pattern in the air as it travels, appears to keep the ball on track, he adds.

Dr. Rae said his work confirmed earlier calculations by Dr. Peter J. Brancazio, a professor of physics at Brooklyn College in New York, who was the first to examine the dynamics of football. Dr. Brancazio demonstrated that a football spins five times for every three wobbles, and Dr. Rae said his work showed that this ratio was little affected by the aerodynamic forces and torques experienced in flight.

THE dominant factor affecting a long pass is gyroscopic torque, resulting from the force of gravity pulling on the spinning ball in a nose-downward direction, Dr. Rae said. Just as a child's spinning toy gyroscope reacts when nudged by an outside force, this gyroscopic torque tends to turn the nose of the ball to the left.

While this is happening, air rushing over the football collides with the underside of the missile near the slightly raised nose. Because the spinning ball is acting like a gyroscope, this tendency of the passing air to push the nose up results in an aerodynamic torque that moves the front of the ball to the right.

Dr. Rae said his calculations also showed that a third force was at work, an aerodynamic phenomenon called the Magnus effect. Named after the German physicist H.G. Magnus, who published research on the effect in the 1850s, it is a consequence of air moving around a rotating cylinder or sphere.

Dr. Rae said he discovered that the Magnus force, which results in areas of high and low pressure on opposite sides of the football, produces a torque toward the rear that pushes the nose of the ball to the right.

Computer simulations show that all of this torquing and spinning balance out to give the football a stabilizing wobble that keeps it on its flight path, he said.

"In simulations where I put in aerodynamic and gyroscopic torques, but leave out the Magnus effect, the football swerves to the right," Dr. Rae said, adding that he hoped to prove his theory in the wind tunnel tests and perhaps to take stop-action pictures of an illuminated football in a dark gymnasium.

Polemic Erupts Over Cholesterol-Cutting Drugs

By Jane E. Brody
New York Times Service

NEW YORK — Two physician-researchers who previously questioned the economic and medical wisdom of universal cholesterol testing and treatment are now questioning the long-term safety of the leading cholesterol-lowering drugs.

In an article published Wednesday in The Journal of the American Medical Association, Dr. Thomas Newman and Dr. Stephen Hulley of the University of California at San Francisco maintain that two classes of drugs, the fibrates and the statins, used by tens of millions of Americans, could possibly cause cancer.

But an editorial by two other doctors in the journal disputes the thesis.

At issue is whether a seemingly healthy person with an elevated cholesterol level can expect benefits from long-term use of a cholesterol-lowering medication that would justify any risks associated with the treatment.

The researchers maintain that treatment with the two classes of drugs should be reserved for patients already known to have heart disease or those at very high risk of developing it.

In the past decade there has been more than a tenfold increase in prescriptions for cholesterol-lowering drugs, mostly for the statins and fibrates.

In 1992, the latest year for which data are available, more than 26 million prescriptions were written for such medications. "Cholesterol-lowering drugs are not like most drugs, which are given to people who are sick in hopes of making them well," Dr. Newman said in an interview.

"You can tolerate greater risks in people who are already sick. But cholesterol-lowering drugs are being taken for decades by people who are well, in hopes of keeping them well. For them the projected benefit is smaller and thus the possible risks are more important. Our concern is that the drugs might be associated with an increase in cancer and that this may not be noticed for 20 or more years."

Dr. Hulley said: "We don't want people who should be on cholesterol-lowering drugs to become alarmed by our report. People with a high enough short-term risk of developing coronary disease should not worry about the hypothetical possibility of cancer, which could be decades away."

He listed as high-risk anyone who already had coronary disease, and men over 45 and women over 55 with high cholesterol that did not respond adequately to dietary changes, especially people with other factors like smoking, diabetes, obesity or high blood pressure that rendered them at high risk for heart disease.

The evidence for carcinogenicity that the researchers cite is circumstantial, mainly studies showing an increase in cancer in laboratory rodents treated with doses that resulted in blood levels of the drugs that were not much higher than the levels reached in people who took them.

While they concede that there has been no definitive evidence of a cancer risk among people taking the drugs, they point out that the most popular drugs, the statins, have not been used long enough to have caused cancer among users.

STUDIES of the older fibrates are worrisome, the researchers maintain, because they reveal a small but statistically significant increase in deaths from noncardiovascular causes, including cancer.

For those who need long-term drug treatment, Dr. Hulley said that two other kinds of cholesterol-lowering drugs, the resin cholestyramine and the vitamin niacin, appear less likely to have adverse effects.

In the accompanying editorial in the journal, two doctors from the University of Arizona College of Medicine in Tucson discounted the possibility of a cancer risk associated with the fibrates and statins and challenged the evidence on which the concern was based.

Dr. James Dalen, a cardiovascular epidemiologist, and Dr. William Dalton, an oncologist and cancer researcher, wrote in the editorial that rodents are poor predictors of the ability of a chemical to cause cancer in humans. Although nearly all human carcinogens are also carcinogenic in rodents, the reverse is not true.

The Arizona doctors noted that "approximately 50 percent of all chemicals tested in rodent bioassays will be identified as carcinogens, a highly implausible proportion."

Furthermore, they said, the doses of the cholesterol-lowering drugs used in the rodent studies are many times greater than what people take and at such high doses toxic effects could possibly produce cancer in the animals. Dr. Dalton said that, at the drug exposure levels reached in patients, there was no increase in cancer in the laboratory animals.

Countering the editorial comment, Dr. Hulley and Dr. Newman said that most other drugs, including 85 percent of the drugs used to lower blood pressure, did not cause cancer in rodents.

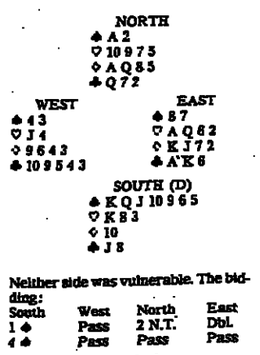
They argued that it was inappropriate to discount the significance of cancer tests in rodents.

BRIDGE

By Alan Truscott

IN the diagramed deal North-South charged into four spades, with East showing his considerable strength with a take-out double of the two no-trump response.

West's opening lead of the heart jack could have worked well if the dummy had held the heart king. As it was, the lead set a trap for East. If he put up the ace and returned the suit in the hope that his partner held a singleton, South would make his contract by finessing.

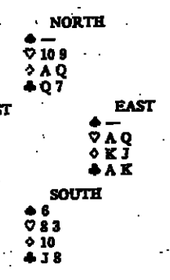


Neither side was vulnerable. The bidding:

South	West	North	East
1 ♠	Pass	2 N.T.	Dbl.
4 ♠	Pass	Pass	Pass

West led the heart jack.

So East ducked and South won the king, losing four tricks. If the declarer had remembered that the high-card strength was on his right, he would have led six rounds of trumps and reached this ending:



When the last trump is led, a heart or a club is thrown from the dummy and East is helpless. He must keep his diamonds, and is then thrown in and forced to lead from the diamond king at the finish.

The only lead to insure defeat of the contract is a diamond. After a club lead to the king, East can shift to a low heart. But he is again in trouble when South takes the king and leads all his trumps.

IN BRIEF

British Scientists Test A Chemical Condom

LONDON (Reuters) — British researchers are testing "chemical condoms" that could let women guard against HIV but still get pregnant, the New Scientist reported.

The vaginal virucides would be aimed at women whose partners refuse to practice safe sex.

"Virucides could offer women greater control over their sexual health," the magazine said. "They may be marketed in the form of gels, creams or foams."

If successful in preventing the transmission of the virus which causes AIDS, the compounds could be especially useful in such countries as Uganda, where women face intense pressure to bear children despite the high incidence of HIV.

Researchers grasped the potential but their work on vaginal virucides ran into problems as benefits from killing the virus had to be weighed against damage to other cells.

A safety trial on 36 women who were not sexually active revealed no side effects or damage to the vaginal lining.

The ultimate test will be to study virucides in countries where the risk of HIV is high, said the magazine.

Guns and Kids: Strong Enough to Be Lethal

WASHINGTON (WP) — Children as young as 3 are strong enough to fire most handguns, a team of Chicago researchers has found. In a study published in the December issue of the Archives of Pediatric and Adolescent Medicine, researchers said 25 percent of 3 to 4 year olds and 70 percent of 5 to 6 year olds had sufficient finger strength to fire nearly all of the 64 most common handguns.

BOOKS

PRIEST OF MUSIC: The Life of Dimitri Mitropoulos

By William R. Trotter. Illustrated. 495 pages. $29.95 Amadeus Press.

Reviewed by James R. Oestreich

AS the centenary of the birth of the great conductor Dimitri Mitropoulos approaches, in 1996, his signal achievement has already been reduced in the public mind to the level of trivia: who was music director of the New York Philharmonic before Leonard Bernstein?

It was Mitropoulos, of course, from 1950, when a one-year co-directorship with Leopold Stokowski dissolved in Mitropoulos's favor, to 1957, when a new co-directorship with Bernstein quickly dissolved in Bernstein's favor. Bernstein, with his prodigious musical gifts, outsize personality, glamorous stage presence and ruthless careerism, would surely have eclipsed whoever preceded him in any case. The job was made easier by Mitropoulos's recessive personality and often bizarre stage manner. Yet his musical gifts were in many ways similar to Bernstein's, and hardly less impressive.

So William R. Trotter's biography of the neglected conductor is timely and important. Trotter makes a strong and detailed case for the value of the legacy, derived especially from his tenure as music director of the Minneapolis Symphony, from 1938 to 1949, and of the Philharmonic. With fewer specifics, he fills in the background of Mitropoulos's upbringing in Athens and his early career as a pianist and composer as well as a conductor, primarily in Europe.

Trotter, a well-traveled writer with a novel about Sibelius ("Winter Fire") and a history of the Russo-Finnish War of 1939-40 to his credit, shows obvious respect here for his subject. He is also a music critic, and he clearly relishes the combat — even against critics long dead — of righting injustices. But he is no mere fan of Mitropoulos.

Indeed, he entered this project late. It was begun by Oliver Daniel in 1983, a year after the publication of his thick tome on Stokowski. Daniel died in 1990, and the following year his literary executor turned the project over to Trotter, complete with Daniel's voluminous research.

To know Mitropoulos from this distance is not always to love him, though a certain impersonal admiration comes readily enough. Even as an international celebrity, touted for a time as the successor to Arturo Toscanini, Mitropoulos appeared to remain genuinely humble in the face of his art. He evidently sublimated most of his sexual energies in its service. He avoided purely social situations, and his favorite nonmusical diversion was climbing mountains.

He was generous to a fault, or at least to his own severe disadvantage. He seemed to welcome adversity, for its uses, and fairly reveled in self-abnegation. Trotter and others speak repeatedly of masochism, or something like it.

Not surprisingly, Mitropoulos's musical methods and achievements bore the marks of his personality. He conducted everything from memory, not only in performance but also in rehearsal, where he uncannily cited rehearsal cues and even measure numbers without recourse to a score. And this though his repertory was almost unparalleled in its breadth.

What happened when the big, bad brutes of the New York Philharmonic got to sink their claws into such a man? Therein lies much of the tale, and it isn't pretty.

"An overwhelming body of published and anecdotal documentation," Trotter writes, "bears witness to a gradual shift of the orchestra's attitude from grateful cooperation, in the first two or three seasons, to chronic insubordination, slackness, and petty cruelty toward the very man so many professed to love."

Trotter falls into minor confusions of dates and facts. At one point, Mitropoulos moves from Athens to Brussels in August 1920, stays perhaps 15 or 16 months and appears to decamp for Berlin in the autumn of 1920. More than he should in a book of already considerable length, the author repeats himself and allows others to do so. But he can also be wonderfully pithy, as when he reveals as much of a complex character as could possibly be done in a single sentence:

"The European intellectual who read Thomas Mann and Proust while waiting for a concert to begin, the somber hermit who pondered Kierkegaard in the wee hours in his Spartan dorm room, could sit mesmerized through any new film that came his way no happier with 'Citizen Kane' than he was with the latest Hopalong Cassidy western."

James R. Oestreich is on the staff of The New York Times.

WHAT THEY'RE READING

• **Sir Dirk Bogarde**, the actor and author, is reading *"Célestine: Voices From a French Village"* by Gillian Tindall.

"A bundle of old letters found in a cupboard of a holiday home in France reveals an entire way of life, a whole village lost in time."

(Margaret Kemp, IHT)

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Trinity Futures Fd Ltd		1956.0000
Triumph I		1367.46
Tweedy Browne Intl Fd		9.37
Tweedy Browne Int'l n.		19.65
Tweedy Browne n.v. Cl A		10.53
Twenty-Fund Arbitrage Fd		1059.83
Umbrella Deal Fund Ltd		199.24
Umbrella Fund Ltd		1268.84
Uni-Glol FS Systemsfave	SF	1114.03
Uni-Glol Sicav FS Mgs 3 sns	SF	1078.27
Uni-Glol Sicav US Gro 3 sns	$	1078.77
Uni-Global Sicav DEM	DM	1407.13
Uni-Global Sicav Ecu	Ecu	1434.41
Uni-Global Sicav FRF	SF	1401.72
Uni-Global Sicav Jpy	Y	1301.02
Uni-Global Sicav USD	$	1281.06
Unico Equity Fund		1044.79
Unico Inv Fund	DM	56.25
Ursus Intl Ltd	$	2342.00
US Advantage div N.V.		7.81
Valbonne	Ecu	140.78
Victor Funarres Fund		186.00
Voyager Investments Plc	$	12.5547
Vulture Ltd		3661.00
Webes Wilder Intl Fd	$	974.3000
Wth Global Fd Bal. Prt	Ecu	146.13
Wth Global Fd Div Prt	Ecu	140.54
Wth Global Fd Eq. Prt	Ecu	170.21
World Balanced Fund S.A		13.61
Worldwide Limited	$	77.63
WPG Fonder Overs Port		198.1475
Young	SF	182.52
Zamert Lombargier Ltd	$	724.23
Zephyr Hedge Fund		272.78
Zweig DiVenna Intl Ltd	$	13656.00

AS - Australian Dollars; AS - Austrian Schillings: BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; Dkk -Danish Kroner: Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finish Mark; FL - Dutch sFlorin; Lit - Italian &ra; LF - Luxemburg Francs; p-pence; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; Y - Yen;

a - asked • - Offer Prices: N.A. - Not Available; N.C. - Not Communicated; o- New; $ - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rits; - ❁ Offer Price Incl. 3% prelim. charge; * - Paris exchange; ** -Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price: y: price calculated 2 days prior to publication: z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekl: (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (i) - twice weekly; (m) - monthly.

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4. Press the star (*) key to receive the document. You can retrieve up to five separate documents through only one access to the system.
5. Finally, after you hear the tone, press "start" on your fax machine and replace the handset. Your information will be delivered instantly.

THE WORLD'S DAILY NEWSPAPER

NYSE

Wednesday's 4 p.m. Close

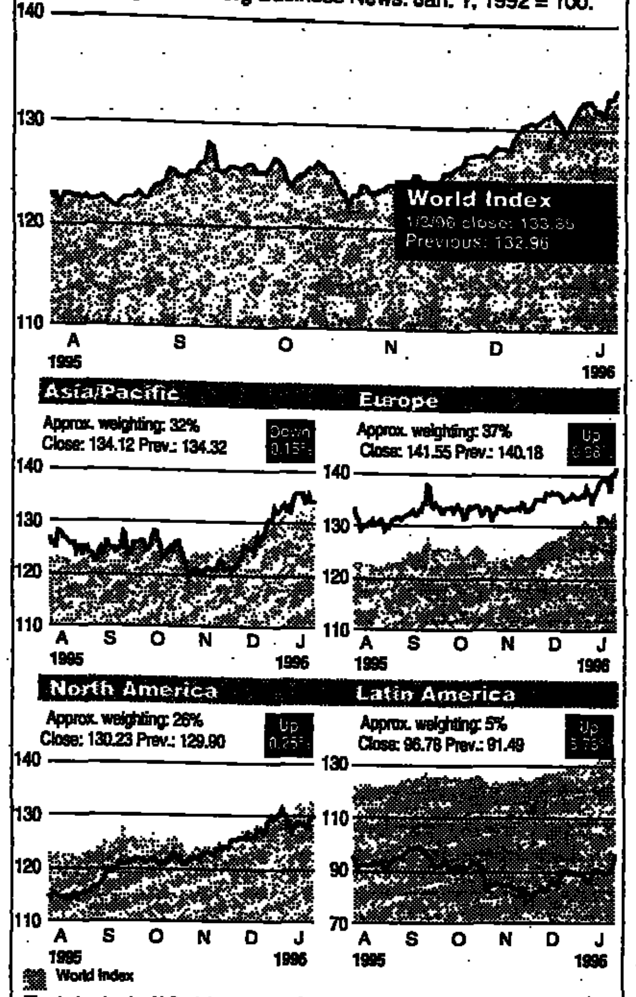
Nationwide prices supplied by The Associated Press.

Continued on Page 14

Herald Tribune (International)
BUSINESS / FINANCE
THURSDAY, JANUARY 4, 1996

THE TRIB INDEX: 133.86

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

Industrial Sectors

	Wed. close	Prev. close	% change		Wed. close	Prev. close	% change
Energy	137.70	136.81	+0.65	Capital Goods	134.22	134.56	-0.25
Utilities	130.51	128.39	+1.65	Raw Materials	146.08	143.85	+1.55
Finance	128.05	127.65	+0.31	Consumer Goods	139.19	138.25	+0.68
Services	124.22	122.36	+1.52	Miscellaneous	140.68	138.19	+1.80

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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The Next Name to Know?

Xylan Could be the New High-Tech Darling

By Laurence Zuckerman
New York Times Service

NEW YORK — The name Xylan Corp. does not exactly trip off the tongue, but then neither did Netscape Communications Corp.

As Xylan's board meets in California on Wednesday to choose an underwriter for the company's initial public offering, its founders and employees are hoping that the similarities with Netscape will go still further. Judging by the interest on Wall Street, they may not be disappointed.

It will not be easy for Xylan to repeat the sizzling debut in August of Netscape, which makes software for browsing the Internet; its stock price more than doubled on its first day of trading. (Netscape closed Wednesday at $126.50, down $8.875, but still more than four times its offering price of $28.)

But Xylan is worth watching because it is involved in the fastest-growing part of the already fast-growing business of selling the hardware and software needed in corporate computer networks.

Since the personal computer was introduced 16 years ago, about 100 million desktop machines have been linked in local-area networks, which allow workers to share files, printers and software.

As computers have gotten more powerful, demands on these networks have increased to the breaking point. Browsing the Internet, exchanging X-rays between hospitals and other data-intense applications quickly use up the available capacity, or bandwith, of most corporate networks.

Xylan makes a local network switch that greatly increases the amount of data available to each desktop computer without having to overhaul the entire network.

Such switches are likely to form the heart of the next generation of corporate networks, which is why most of the publicly traded network switching companies have been taken over in the last year by giants like Cisco Systems Inc., Bay Networks Inc. and 3Com Corp.

"Scorching," is how Lee Doyle, a networking analyst at International Data Corp., describes the local network switching market. Sales nearly quadrupled in 1995, to $1.2 billion from $330 million in 1994, and are expected to reach $2 billion this year, he said.

Xylan, based in Calabasas, California, was founded two years ago by Steve Kim, a South Korean immigrant who had already started and sold one network hardware company, and Yuri Pikover, a Russian immigrant.

Recognizing the demand for more bandwith, they set out to build a switch that could connect personal computers to an existing network regardless of the network's particular design.

Like many technology start-ups, Xylan appears to have jumped ahead of its older and larger competitors because its engineers were not forced to tailor their design to an existing product line.

"They've got a lead that is not measured in months," said Frank Dzubeck, president of Communications Network Architects, a consulting firm that advises Xylan. "It may be closer to a year."

The company shipped its first product a year ago and by the end of the summer had rung up $14 million in sales. Mr. Kim said Xylan expected to end the year with sales

See XYLAN, Page 12

European Bourses Join Wall Street's New Year Rally

Compiled by Our Staff From Dispatches

LONDON — European stock markets set a fresh crop of records on Wednesday as investors took heart from Wall Street's gains and bet on falling interest rates.

The British and German touched new records, while a series of other markets posted major gains.

The European component of the International Herald Tribune Stock Index rose 1.37 points, or 1 percent, to 141.55.

"There's a bull market in U.S. equities," said Jeremy Hewlitt, a fund manager at Yamaichi Capital Management (Europe) Ltd. "European equities don't look expensive in comparison."

British investors, encouraged by the economic prospects in the U.S. economy, pushed the FT-SE 100 index to 3,715.6, past the previous peak of 3,687.9, set on Tuesday.

The bullish mood in London and the rest of Europe was prompted by the gains on Wall Street, improved prospects of a settlement of the Washington budget crisis and hopes of cuts in U.S. interest rates.

Despite the optimism, trading volume was only moderate in London, possibly because of lingering worries about possibilities of an election after last week's defection of a Parliament member cut the Conservative Party's majority.

A strong opening in New York helped sustain the European rally, which was sparked off by Wall Street's strong gains on Tuesday when the Dow Jones index climbed 60.33 points, to 5,177.45, its biggest one-day gain since late May.

In Frankfurt, the German DAX index surged 1.94 percent, to a record 2,329.22, and stocks moved higher in after-hours trading.

French shares closed their second session of the year with a major advance. The CAC-40 index closed up 1.81 percent, at 1,942.96, but still well short of record levels.

Declining interest rates in Europe have made potential returns on stocks attractive relative to the lower returns on bonds. Twelve of 15 European Union countries cut rates in December, clipping bond yields.

Traditionally, money managers have shifted investments from fixed-income securities to equities when interest rates fall.

"Dividends are likely to grow in 1996, it provides good support for equities," said Keith Gilham, associate director of U.K. equities at AXA Equity. "Equities look attractive as opposed to bonds."

(Reuters, Bloomberg)

Airbus Orders Fell 15% Last Year But Revenue Rose

Compiled by Our Staff From Dispatches

PARIS — Airbus Industrie said Wednesday that orders for its jets fell 15 percent, to 106 units, in 1995, less than half that of its rival Boeing Co., but revenue surged 12.9 percent, to a record $9.6 billion.

The European jetmaker had delivered 124 aircraft in 1995 and 123 in 1994.

The company said revenue in 1995 rose because the proportion of large and more expensive aircraft was greater than in the past.

Airbus' share of the global market for civil aircraft in recent years has been about 30 percent, while Boeing has held onto 60 percent, adding that figures for new orders do not change the ratio.

Airbus also announced on Wednesday an order for nine A-321 models worth $580 million from GATX A321 Partners, a new partnership managed by GATX Capital Corp.'s Air Group unit.

Meanwhile, Virgin Atlantic Airways is planning to buy four Boeing 777 aircraft, bringing an existing order to 10 planes in a deal worth $3 billion, sources close to the carrier said on Wednesday. *(Reuters, Bloomberg, Knight-Ridder)*

Hutchison Rebuilds Phone Sector

Compiled by Our Staff From Dispatches

HONG KONG — Hutchison Whampoa Ltd. said Wednesday it had bought back 25 percent of its Hong Kong paging business from Motorola Inc. and announced a telecommunications reorganization in the face of growing competition.

Canning Fok, managing director of the Hong Kong conglomerate, also said the company was still discussing listing its British telecommunications network Orange in London or New York in the first half of this year.

"In order for us to do things better, we have to restructure our business," Mr. Fok said.

The restructuring will split Hutchison's businesses into three regions: Europe, Southeast Asia and Hong Kong. It will create a new company, Hutchison Telecom Hong Kong Ltd., to consolidate its local paging, mobile and fixed-line operations into one unit.

The new unit creates synergy, maximizes cost-effectiveness and productivity of Hutchison's telecommunications operations and has resulted in competitive advantages, Mr. Fok said.

Mr. Fok said that Motorola had approached Hutchison late last year about selling back its 25 percent stake in Hutchison's Hong Kong paging operations. Mr. Fok did not disclose terms of the sale.

Motorola will retain a 30 percent stake in Hutchison's Hong Kong cellular telephone business, he said.

Hutchison is facing increasing competition in Hong Kong's highly serviced telecommunications market, where the population of six million was using about 660,000 mobile phones and 1.4 million pagers as of the end of November 1995.

Hutchison has a strong position in the mobile market, with around 120,000 mobile phone customers and 400,000 paging subscribers, but the government is opening the market to new participants and technology.

The company won one of three new fixed-line licenses last year and must win market share from monopoly holder Hongkong Telecommunications Ltd.

(Bloomberg, AFX)

INTERNATIONAL MANAGER

Little Airlines Create Turbulence

By Adam Bryant
New York Times Service

ATLANTA — Mark W. McDonald felt like a man accursed. Almost from the day he began to challenge giant USAir Inc. in the Northeast United States with his new airline, Nations Air, bad luck seemed to strike Fridays.

But nothing had prepared the entrepreneur for the disaster born Friday, Oct. 6.

On that day, the company that leased both planes for his fledgling carrier's fleet tried to call Mr. McDonald to discuss a routine matter. But because a hurricane had knocked out phone service for parts of Atlanta, all Viscount Air Services heard was a recording saying that the phones were out of order.

Viscount mistakenly assumed that Nations Air Express Inc. had gone out of business — a reasonable enough conclusion, given the low success rate for start-up carriers. Fearing that its planes could be tied up in bankruptcy proceedings, Viscount sent two pilots to Pittsburgh to take back the one plane that was not having heavy maintenance. At 2:30 A.M. Saturday, while Mr. McDonald slept in his suburban Atlanta home, the Viscount pilots flew off with his airline's only working plane.

"This," said Mr. McDonald, spinning out his misadventures in a recent interview, "is a suicidal business."

No kidding. But for all that can go wrong in the thin-margin, capital-hungry, labor-intensive and highly regulated U.S. airline industry, it still manages to attract entrepreneurs. Since 1990, 46 applications have been filed to start airlines, and the pace is accelerating, according to the Transportation Department.

Indeed, most airline entrepreneurs say they can not imagine doing anything else. "There is something about a business that puts 100 people in an aluminum tube and pushes them through the air at 400 miles an hour," said Robert J. McAdoo, the former chief financial officer of People Express who started Vanguard Airlines Inc., a small airline based in Kansas City, Missouri, in 1994.

Whatever the motivation, the big winners are consumers. The Transportation Department estimates that low-fare carriers save American travelers about $4 billion a year. Even big established airlines benefit, it says, because they are forced to be efficient and are thus well-equipped to weather cyclical downturns.

The losers are usually the entrants. Since the industry was deregulated in 1978, ushering in an age of brutal competition, about 100 airlines have filed for bankruptcy, some more than once, according to the Air Transport Association, an industry trade group.

There are rare success stories. For instance, ValuJet Inc., based in Atlanta, went public in June 1994 at $12.50 a share. Those shares — two-fifths in the hands of the airline's founders and top executives — are now worth more than $100 after adjusting for stock splits.

But for most newcomers in the airline industry, being blindsided is practically routine.

Mr. McDonald was aware of the risks long before he took the plunge. His first business venture prospered: a charter airline carrying passengers and freight that he started in 1987 in Miami. But he needed a new challenge.

"It's something that just gets in your blood," he said. "I go to sleep sometimes at night wondering why I'm in this business, but then wake up and I can't wait to get to work."

Mr. McDonald said he had the idea for his own airline in 1992 after determining that he could undercut USAir's fares on some Northeast routes. For seed money, he sold everything he owned, including his house and the assets of his charter airline.

He spent most of 1993 on the road, pitching his idea to venture capitalists and living out of a suitcase. Getting no takers, Mr. McDonald turned to friends and family, who helped raise $3.7 million in a private placement. He also secured a $1 million bank loan.

Nations Air, Mr. McDonald decided, would serve routes that USAir had long dominated, flying from Pittsburgh to Philadelphia to Boston and back every day.

But first, he needed planes. He was somewhat taken aback when, in the fall of 1994, USAir offered to sell him three

See AIR, Page 15

Hyundai to Hire Outside Directors

Reuters

SEOUL — The new chairman of South Korea's largest conglomerate, Hyundai Group, said Wednesday that he would appoint directors from outside the company to polish up its image.

South Korea's big conglomerates, or *chaebol*, have been tainted by the indictment of former President Roh Tae Woo and the heads of seven big conglomerates over a slush fund scandal.

"I plan to appoint outside personnel as board members to enhance the group image," said Chung Mong Koo, who was named last week as the new chairman of Hyundai. Mr. Chung, the eldest son of the founder of Hyundai, Chung Ju Yung, formally took over the helm Wednesday from his uncle, Chung Se Yung.

South Korea's large family-owned companies rarely appoint outside professionals as directors. Founding families usually maintain a tight grip on ownership and management, industry analysts said.

"The move was what's really needed for Korean companies to change their management style," said Lee Youn Ho, president of LG Economic Research Institute.

Since the slush fund scandal broke in October, more than 30 business leaders have been questioned by state prosecutors. Hyundai's founder, who admitted making huge payments to Mr. Roh during his term in office, has not been indicted.

"Considering not only the tainted image but the Korean economy's scale, it is the right time for firms to let more rights be given to professionals," Mr. Lee said.

A spokesman for Hyundai said the company either hired or promoted 385 executives over the past year, which reflected its desire for change.

The new chairman said Hyundai would go ahead with a long-standing plan to build an integrated steel mill to meet demand from Hyundai units, which make products from semiconductors to ships. He said by 2000, Hyundai companies would need about 5 million metric tons of steel.

Hyundai has several steel-product makers under its wing but no crude steel production facilities.

Analysts said building an integrated steel mill would cost at least 10 trillion won ($12.9 billion), which could not be raised without government support.

Hyundai also said it expected sales by its 45 units to be 74.4 trillion won in 1996, up from an estimated 60 trillion won in 1995.

Pohang Iron & Steel Co. is South Korea's only integrated steelmaker, and Hyundai's aim to move into crude steel production has raised worries about domestic oversupply.

CURRENCY & INTEREST RATES

Cross Rates
Jan. 3

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.615	2.5035	1.1186	0.3284	0.1027*	—	5.4475*	1.3898	1.5464*	1.193	1.329*
Brussels	Not Available										
Frankfurt	1.4374	2.2331	—	0.293	0.9166*	0.8932	4.8644*	1.2409	1.3767*	1.0612	1.186*
London (a)	1.5515	—	2.235	7.6256	2,441.285	2.5049	45.963	1.799	162.055	2.1023	188.43
Madrid	121.30	188.258	84.277	24.69	7.722*	75.276	4.0994	104.641	116.077*	89.553	—
Milan	1,568.50	2,438.65	1,092.50	319.96	—	975.75	53.096	1,354.69	15.017	1,150.35	12.934
New York (b)	—	1.5514a	1.4465	4.9345	1,576.00	1.6193	29.73	1.165	104.945	1.3558	121.78
Paris	4.915	7.628	3.4149	—	0.3129*	3.0502	0.1661	4.24	4.7034*	3.6287	4.0535*
Tokyo	Closed										
Toronto	1.3528	2.0988	0.9353	0.2741	0.0859*	0.8353	0.4551*	1.1609	1.2899*	—	1.111*
Zurich	1.1615	1.8025	0.8059	0.2365	0.74*	0.7201	3.9221*	—	1.112*	0.8587	0.9572*
1 ECU	1.3113	0.8449	1.8874	6.4452	2,059.96	2.1131	38.8023	1.5201	137.004	1.7782	158.999
1 SDR	1.4818	0.9536	2.1259	7.2831	2,327.74	2.3878	43.7798	1.7147	151.358	2.0135	179.668

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9993	Greek drac.	237.02	Mex. peso	7.66	S. Afr. rand	3.633
Australian $	1.3369	Hong Kong $	7.7335	N. Zealand $	1.5298	S. Kor. won	778.40
Austrian sch.	10.135	Hung. forint	139.58	Norw. krone	6.3494	Swed. krona	6.60
Brazil real	0.972	Indian rupee	35.18	Phil. peso	26.20	Taiwan $	27.27
Chinese yuan	8.2928	Indo. rupiah	2293.58	Polish zloty	2.47	Thai baht	25.18
Czech koruna	26.62	Irish £	0.6258	Port. escudo	149.82	Turkish lira	60653.
Danish krone	5.5728	Israeli shek.	3.1476	Russ ruble	4640.	UAE dirham	3.6726
Egypt. pound	3.3955	Kuw dinar	0.2998	Saudi riyal	3.75	Venez. boliv.	342.00
Fin. markka	4.336	Malay. ring.	2.5473	Sing. $	1.4188		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5488	1.5477	1.5465	Japanese yen	104.03	103.61	103.17
Canadian dollar	1.3541	1.3541	1.3541	Swiss franc	1.1577	1.1543	1.1502
Deutsche mark	1.4388	1.4366	1.4342				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France-Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits
Jan. 3

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 mo.	5½ - 5⅝	3¾ - 3⅞	1¾ - 1⅞	6 7/16 - 6 9/16	4⅝ - 4⅞	7/16 - 9/16	4 15/16 - 5 1/16
3 mo.	5 7/16 - 5 9/16	3⅝ - 3¾	1 11/16 - 1 13/16	6 5/16 - 6 7/16	4⅝ - 4¾	½ - ⅝	4 15/16 - 5 1/16
6 mo.	5⅜ - 5½	3½ - 3⅝	1 11/16 - 1 13/16	6⅜ - 6½	4½ - 4⅝	½ - ⅝	4⅞ - 5
1 yr	5 5/16 - 5 7/16	3½ - 3⅝	1 11/16 - 1 13/16	6¼ - 6⅜	4⅜ - 4½	9/16 - 11/16	4⅞ - 5

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5¼	5¼
Prime rate	8½	8½
Federal funds	8.00	6.00
3-month CDs	5.12	5.13
Comm. paper 180 days	6.11	6.11
3 month Treasury bill	5.05	4.98
1-year Treasury bill	4.88	4.91
2-year Treasury note	5.14	5.17
5-year Treasury note	5.35	5.38
7-year Treasury note	5.44	5.47
10-year Treasury note	5.57	5.59
30-year Treasury bond	5.95	5.96
Merrill Lynch 30-day RA	5.25	5.26
Japan		
Discount rate	0.50	0.50
Call money	Clsd	0.40
1-month interbank	–	0.47
3-month interbank	–	0.53
6-month interbank	–	0.53
10-year Government bond	–	N.Q.
Germany		
Lombard rate	5.00	5.00
Call money	3.95	3.90
1-month interbank	3.87	3.90
3-month interbank	3.80	3.85
6-month interbank	3.67	3.70
10-year Bond	5.98	5.97

Britain		
Bank base rate	6½	6½
Call money	6 7/16	6⅝
1-month interbank	6½	6½
3-month interbank	6½	6½
6-month interbank	6 7/16	6⅜
10-year Gilt	7.50	7.44
France		
Intervention rate	4.45	4.45
Call money	4 15/16	4⅞
1-month interbank	4 15/16	4⅞
3-month interbank	4 15/16	4¾
6-month interbank	4 15/16	4 15/16
10-year OAT	6.60	6.59

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	390.50	393.75	+ 6.90
London	390.50	393.40	+ 4.25
New York	392.00	396.20	+ 5.70

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

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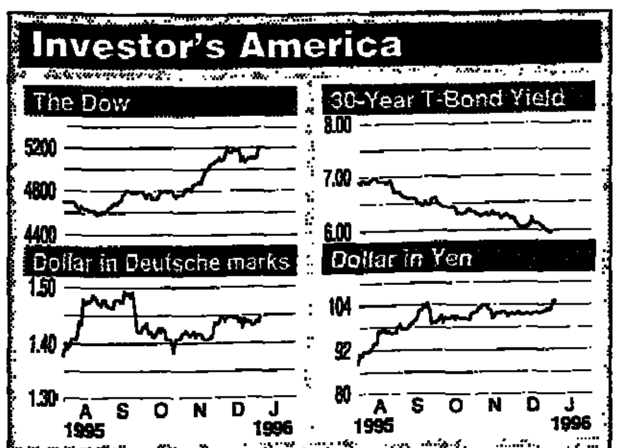

Exchange	Index	Wednesday @ 4 P.M.	Prev. Close	% Change
NYSE	The Dow	5194.07	5177.45	+0.32
NYSE	S&P 500	621.32	620.73	+0.10
NYSE	S&P 100	592.67	591.78	+0.15
NYSE	Composite	332.63	331.71	+0.28
U.S.	Nasdaq Composite	1047.08	1058.98	-0.84
AMEX	Market Value	552.17	550.97	+0.22
Toronto	TSE Index	4819.51	4767.82	+1.08
São Paulo	Bovespa	46814.79	43900.50	+6.64
Mexico City	Bolsa	3004.78	2929.43	+2.57
Buenos Aires	Merval	564.17	540.72	+4.34
Santiago	IPSA General	5783.68	5737.18	+0.81
Caracas	Capital General	2046.10	2023.40	+1.12

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Money Magazine Fires Dorfman

NEW YORK (AP) — Money magazine said Wednesday it had fired Dan Dorfman because the well-known stock market tipster refused to reveal his sources to its managing editor.

Mr. Dorfman has been on a paid leave of absence from the magazine, where he was a columnist, since October, when a Business Week magazine report said federal authorities were investigating his relationship with a frequent source as part of an insider-trading probe.

Frank Lalli, the managing editor of Money magazine, said Mr. Dorfman was fired Monday. There was no allegation of wrongdoing in the dismissal announcement and Money said its investigation had not been completed.

• **Carson Pirie Scott & Co.** ceased its effort to acquire rival **Younkers Inc.**, ending a 15-month fight for the retailer that was one of the longest takeover attempts in U.S. history.

• **RJR Nabisco Holdings Corp.** set Jan. 12 as its date of record for shareholders to vote on whether the company should immediately spin off its Nabisco food unit.

• **American depositary receipts** trading on U.S. stock exchanges during 1995 rose 38 percent from a year ago, to 10 billion units, while the value of the transactions rose 12 percent, to $278 billion, according to a report by **Citibank.**

• **Louisiana-Pacific Corp.** has named **Mark A. Suwyn**, 53, as chairman. He will replace **Donald R. Kayser**, a board member who has headed the company on an interim basis since **Harry Merlo** resigned in July.

• **Intel Corp.** settled its patent dispute with **United Microelectronics Corp.** The Taiwan company agreed to stop making, using or selling its version of the 80486 microprocessor.

AP, Knight-Ridder, AFX, Bloomberg

A Price Brake on Car-Buying?

By Keith Bradsher
New York Times Service

DETROIT — One of America's specialists on measuring consumer sentiment has warned that car buyers are more concerned about prices now than at any time in the past decade, but economists at the Big Three U.S. automakers dismissed his contention.

The disagreement, coming at the start of what is expected to be a year of slow growth, at best, in car sales, reflected an issue being discussed more and more often in the industry: whether consumers can still afford to buy cars at the pace of recent years.

Prices of new vehicles rose an average of 8 percent annually from 1973 through 1993, according to a study by the University of Michigan, and they are continuing to rise briskly. Family incomes rose about 5 percent annually during that period and have stagnated recently.

As car sales have slowed in the United States in recent months, auto executives have played down questions about affordability, pointing out that some of their best-sellers are costly minivans, sport-utility vehicles and cars loaded with options.

A rapid rise in trade-in prices for used cars over the past few years has allowed many buyers of new cars to purchase more expensive vehicles.

But Richard Curtin, the director of consumer surveys at the University of Michigan, predicted Tuesday that many Americans might remain reluctant to buy cars because of worries over prices.

"Little in the way of further improvement can be expected until consumer attitudes toward interest rates and prices recover," he said at a gathering in Detroit of the Society of Automotive Analysts.

Economists at General Motors Corp., Chrysler Corp. and particularly Ford Motor Co. took a different view, discounting concerns about affordability while predicting that sales of new cars and trucks in the United States would continue this year at roughly last year's solid but unspectacular level of 15.1 million vehicles.

Martin Zimmerman, Ford's executive director of governmental relations and corporate economics, emphasized that consumer spending on cars had held steady at slightly more than 4 percent of the nation's economic output for three decades and showed no sign of falling.

Because sales of new cars are now growing at an average of only 0.5 percent a year, prices have inevitably risen faster as cars kept a steady share of consumer spending, he said.

Mustafa Mohatarem, the chief economist at General Motors, and Van Bussman, Chrysler's corporate economist, made similar points, although Mr. Bussman noted that consumer installment debt had reached a record 19.7 percent of household disposable income, possibly limiting the room for many Americans to borrow more money.

Mr. Zimmerman was especially critical of the view that the widening gap in the distribution of income had left fewer Americans able to afford new cars. Carmakers still market cars to buyers with a range of incomes, he said, and the poorest one-fifth of all Americans have never accounted for a large share of new-car sales.

But Sean McAlinden, the manager of automotive economic studies at the University of Michigan, said that there were signs that carmakers were chasing ever more affluent consumers while charging higher and higher prices.

"The middle market that GM built, and that is the basis of Ford and Chrysler, is dying," he said.

■ Ford Sees Profit in Europe

The chairman and chief executive officer of Ford Motor Co. predicted Wednesday that the company's operations in Europe would reverse recent losses and be profitable in 1996, AFX News reported from New York.

The chairman, Alex Trotman, said he expected positive sales momentum to continue in Europe as well as the United States in 1996, and that he was confident that 1996 would be a good year for the company.

He said total domestic industry sales in 1996 would rise to about 15.3 million units an estimated 15.0 million in 1995.

Mr. Trotman declined to make any specific forecasts on the company's latest quarterly earnings, but said they would come in below fourth-quarter 1994 profit of $1.31 per share.

Analysts expect the company to post fourth-quarter earnings of 24 cents per share.

XYLAN: *The Next Name to Know?*

Continued from Page 11

around $30 million. That would be stronger than the first year of Cisco Systems, the networking hardware giant and current Wall Street darling, when it set up shop in the late 1980s.

Xylan's technology has been endorsed by companies including Digital Equipment Corp., Hitachi Ltd. and Alcatel Alsthom, which resell its switches under their own names. In March, Alcatel agreed to buy $125 million worth of Xylan products over the next three years and also bought a 10 percent stake in the company for $10 million.

But what really promises to drive interest in Xylan is supply and demand. With all the consolidation in the networking business last year, Xylan looks like one of the few ways to invest directly in the growth of the local network switching market.

That puts Xylan in an enviable position. Representatives from Morgan Stanley & Co., Goldman, Sachs & Co. and several other Wall Street underwriters have been wooing the company's board for the right to sell 2 million shares — about 10 percent of equity — to the public.

With such a strong wind at it back, Xylan's offering is almost assured to perform well early on. Whether the company becomes more than that will depend on whether it can manage its fast growth and stay ahead of the technological curve.

U.S. STOCKS

■ Stocks Gain, But Chips Fall

U.S. stocks rose Wednesday, led by consumer-product and cyclical issues amid strong profit forecasts. But technology stocks fell after PaineWebber downgraded five semiconductor shares, saying that despite strong industry trends, these stocks have a strong downside risk, news agencies reported.

Gaining issues outnumbered losing ones by a 5-to-3 ratio on the New York Stock Exchange, while the Dow Jones industrial average closed up 16.62 points, at 5,194.07.

But the Nasdaq composite index, which is heavily weighted with technology stocks, fell 11.57 points, to 1,047.08.

"The tape is telling you technology earnings are not going to be good, but cyclical earnings are going to be O.K.," said Jack Baker, head of trading at Furman Selz Inc.

Auto stocks rose after Ford said a global reorganization designed to save billions of dollars in vehicle development costs was running six to 12 months ahead of schedule. Ford rose ½ to 29⅞ and Chrysler gained ⅜ to 55¾.

Johnson & Johnson touched off higher prices for a handful of health-care stocks, rising 3⅜ to 87⅜ after the Food and Drug Administration approved the sale of its Renova ointment, a prescription skin cream used to reduce facial wrinkles and treat chronic sun exposure.

Companies sensitive to interest rates, such as insurance and banking companies, rose as yields on Treasury bonds sagged. The yield on the benchmark 30-year issue slipped to 5.95 percent Wednesday from 5.96 percent Tuesday as the price rose 2/32 point, to 112 22/32.

American Express rose ¼ to 41½, Fleet Financial rose 1¾ to 42½ and Mellon Bank rose ⅞ to 54⅛.

"The sense that interest rates are expected to go lower in the U.S. and that there will be some solution to the budget impasse has energized equities," said Alan Ackerman, market analyst at Fahnestock & Co.

Among technology issues, Applied Materials lost 3⅛ to 37½ after PaineWebber downgraded its opinion of the company along with four others: Lam Research, which fell 3¼ to 42; Novellus Systems, which fell 3⅝ to 48½; Brooks Automation, which lost 2 3/16 to 11 13/16 and KLA Instruments, which dropped 1⅞ to 24⅝.

Vtel plunged 7 to 10¼ after the maker of multimedia conferencing systems said it expected fourth-quarter revenue between $23 million and $23.5 million, lower than its internal projections. Vtel also said it expected only a "slight" profit for the quarter. *(Bloomberg, AP)*

■ Latin American Stocks Up

Latin American stocks rose Wednesday, led by Brazil, as investors bet falling interest rates would make equities more attractive than fixed-income investments, Bloomberg Business News reported.

São Paulo's Bovespa index rose 6.64 percent, to 46,814.79 points.

"Lower rates here and abroad provide the proper environment for a bullish market," said Glaucio Bennesby, a trader at Banco Marka SA in Rio de Janeiro.

The Latin American component of the International Herald Tribune world stock price index closed up 5.78 percent, at 96.78 points.

Telecommunications stocks were strong, with Teléfonos de México and Telecomunicacoes Brasileiras SA, or Telebras, gaining strongly. TelMex's American depositary receipts were the most active issue on the Big Board, closing up 1¾ at 36.

Budget Optimism Buoys Dollar

Compiled by Our Staff From Dispatches

FOREIGN EXCHANGE

NEW YORK — The dollar rose against other major currencies on Wednesday as optimism grew that President Bill Clinton and Congress would agree on a budget accord soon.

Many analysts say a credible plan to balance the budget by the first years of the 21st century would raise demand for U.S. bonds and stocks, lifting the dollar in turn.

"A resolution is very close, and a resolution will buoy the dollar," said Rick Porter, manager of corporate treasury services at Bank Brussels Lambert in New York.

The dollar closed at 104.945 yen, up from 103.915 yen on Tuesday, and at 1.4465 Deutsche marks from 1.4372 DM. It also climbed to 4.9345 French francs from 4.9061 francs, and 1.165 Swiss francs from 1.159 francs.

The pound was at $1.5514, down from $1.5545.

David Solin, an analyst at Foreign Exchange Analytics, said budget news had given participants "a handy excuse" to make trades, but because the talks have dragged on for so long they have not been a source of any sustained shift in dollar sentiment. But with little other news moving the markets and with a lack of economic data because of the government shutdown, analysts said the budget talks would remain the forefront of the market.

A stalemate in the budget talks has kept many government offices closed since mid-December.

The U.S. currency was also bolstered by talk that more investors are moving out of low-yielding investments in Japan in search of higher yields available in the United States and elsewhere. That helped drive the yen down against the mark and other European currencies, traders said. *(Bloomberg, AFX)*

WORLD STOCK MARKETS

Wednesday, Jan. 3
Prices in local currencies.
Telekurs

Amsterdam

	High	Low	Close	Prev.
ABN-AMRO	75.70	74.60	74.90	75.20
Aegon	75.80	74.20	75	73.70
Ahold	69.80	68	69.10	67.30
Akzo Nobel	187.90	186.60	186.60	188.80
Bols Wess cva	35.30	34.40	34.90	34.40
CSM cva	71.50	70	70.90	69.70
Dordtsche Pet	249.50	247.50	248.50	247
DSM	133.90	132	133.20	132.50
Elsevier	22.30	21.90	22	21.90
Fortis Amev	111.50	110	110	110.80
G-Brocades cva	48.30	47.30	48.30	48.10
Hagemeyer	86.70	84.70	86.10	84.80
Heineken	294	290.60	293.90	290.80
Hoogovens	54.90	53.70	54.20	54.50
Hunt Douglas	79	74.90	77.50	75.30
ING	110.90	109.60	109.80	109.80
KLM	58.50	56.90	57.10	57.60
KNP BT	42.80	42	42.50	42
KPN	59.20	58.60	59	58.50
Nedlloyd Gp	36.30	34.50	34.70	36
Nutricia	137	131.50	136.20	131.50
Oce Grinten	102	99.80	101.50	101
Pakhoed	43.90	43.20	43.20	43.60
Philips Elec	61.90	59.90	61.50	59.40
Polygram	89.50	88.50	88.70	88.60
Randstad Hdg	78.20	75.30	75.60	76.70
Robeco	116.80	116.40	116.70	116.40
Rodamco	47.20	44.50	47.10	44.50
Rolinco	123.20	122.80	122.90	122
Rorento	95.10	94.80	94.90	94.80
Royal Dutch	227.90	226.50	227.80	225.80
Stork	40.80	39.80	40.30	40.40
Unilever cva	232	230.10	231.50	228.80
VNU	226.50	224.50	226.50	223.50
Wolters Kl cva	157.90	155	157.70	155.80

EOE Index: 499.41
Previous: 495.24

Bangkok

	High	Low	Close	Prev.
Adv Info Svc	480	446	470	446
Bangkok Bk F	318	310	316	306
Krung Thai Bk	109	104	108	104
PTT Explor	284	266	284	264
Siam Cement F	1474	1408	1474	1396
Telecomasia	81	77	80	76.50
Thai Airways	45	43	44.50	43.50
Thai Farm Bk F	262	256	256	254
Thai Teleph	144	138	143	137
Utd Comm	336	326	332	322

SET Index: 1323.43
Previous: 1280.81

Bombay

Tuesday, January 2

	High	Low	Close	Prev.
Assoc Cement	2975	2900	2970	2780
Grasim Ind	540	538	540	538
Hindalco Ind	920	918	920	900
Indust Lever	622	620	620	624
Indian Hotels	594	588	592	574
ITC	248	240	242	251
Larsen Toubro	265	261	261.50	258
Reliance Ind	207.25	204	205.25	207
Tata Eng Loco	388	380	382	380
Tata Iron St	200.50	197	197.50	196.50

Sensitive Index: 3111.96
Previous: 3110.49

Brussels

	High	Low	Close	Prev.
Arbed	3325	3220	3285	3180
Barco Ind	3520	3490	3505	3495
BBL	5190	5060	5090	5140
Bekaert	25350	24700	24950	24500
CBR	11975	11925	11925	11950
CMB	2230	2180	2205	2190
Cockerill	171	163	171	161
Colruyt	8180	8090	8180	7970
Delhaize Lion	1260	1240	1250	1242
Electrabel	7250	7190	7250	7130
Electrafina	3230	3080	3220	3065
Fortis AG	3740	3685	3700	3695
GIB	1350	1316	1342	1314
GBL	4130	4030	4120	4020
Gen Banque	10800	10450	10800	10575
Glaverbel	3420	3260	3400	3225
Kredietbank	8240	8020	8170	8080
Mosane	1865	1865	1865	1855
Petrofina	9300	9140	9300	9100
Powerfin	3935	3900	3935	3885
Recticel	375	366	371	370
Royale Belge	5940	5870	5930	5870
Soc Gen Belg	2590	2485	2590	2465
Solvay	16375	16050	16375	16050
Tessenderlo	10900	10525	10775	10525
Tractebel	12925	12400	12650	12425
UCB	40000	39525	39800	39400
Union Miniere	2050	1985	2045	1995

Stock Exchange Index: 8559.43
Previous: 8469.40

Copenhagen

	High	Low	Close	Prev.
Carlsberg B	317	312	313	311
Danisco	315	268	270	269
Den Danske Bk	393.73	380.50	391	387.58
D/S Svendbrg A	155000	152500	154500	152000
D/S 1912 A	108500	105196	108500	105000
East Asiatic Co	116	112	114	112
FLS Ind B	470	445	465	435
ISS Intl Svc B	140	129.80	139	129
Nvo Nordisk B	796	765	795	770
Radiometer B	406	395	405	395
Sophus Ber B	642	625	628	630
Tele Danmk B	313	304	312	307
Unidanmark A	271.30	286	289	286

Stock Market Index: 373.86
Previous: 368.40

Frankfurt

	High	Low	Close	Prev.
AMB	950	950	960	930
AEG	148	146.50	148	146
Allianz Hdg	2910	2888	2891	2845
Altana	847	843	845	839
Asko dt kauf	735	730	730	735
Badenwerk	480	477	480	477
BASF	334.90	330.50	334.80	328
Bayer Hypo Bk	36.75	36.47	36.68	36.10
Bay.Vereinsbank	44.45	44.05	44.45	43.50
Bayer	396.50	393.30	395.80	385.70
Berliner Kraft	427.50	424	424	426.50
BHF Bank	40.25	39.95	40.10	39.80
BMW	769.50	763	768	743
CKAG Colonia	1200	1200	1200	1185
Commerzbank	346.80	345.50	346.80	344
Daimler Benz	741	732	739.50	727.20
Degussa	499	489	496	486.50
Deutsche Bank	69.73	69.30	69.60	68.52
Dresdner Bank	38.45	38.30	38.42	38.18
Heidelbg Zmt	926	915	926	909.50
Henkel kgaa	560	554	558.50	544
Hochtief	635	620	635	612
Hoechst	400	398.10	399.90	395
Holzmann Ph.	535	520	531	510
Karstadt	618	615	617	595
Kaufhof Hdg	454	450	453	438.50
Linde	862	856	859	848
Lufthansa ord	206.80	203.50	206.80	200.80
MAN	412.50	405.50	409.30	400
Mannesmann	473	468.50	472.80	463
Moench Rueck	3220	3140	3200	3100
Preussag	413	410.50	412	406.25
PWA	218	215	217	211
RWE	540.50	536	539.50	527
SAP pfd	242.50	240	240.50	230.50
Schering	96.50	95.40	95.60	96
Schmalb Lub	218	209	218	205
Siemens	798.20	795.20	797.80	790
Suedzucker	775	768	768	775
Thyssen	266	263.50	266	260.80
Veba	63.07	62.75	62.75	61.55
VEW	515	512	512	516.90
Viag	602	597.50	600.50	588.50
Volkswagen	492	486.50	491.50	480.20
Wella	780	777	777	773

DAX Index: 2339.22
Previous: 2284.86

Helsinki

	High	Low	Close	Prev.
Cultor I	188	183	185	185
Enso-Gutzeit R	32	31	31.40	30
Huhtamaki IF	111	106	108.50	106
Kesko	56.50	55	56.30	55.50
Kone BF	375	373	375	374
Kymmene F	124	119	122.30	120
Merita A	N.A.	N.A.	N.A.	11
Metra BF	185	182	182	181
Metso-Serla B	144	139	142	139
Nokia Prf F	182	174.10	181.50	175
Outokumpu A	72	70	71	70
Rautaruukki	28	27	27.80	27
Repola	89	86	88.40	86
Stockmann A	250	250	250	252
Valmet A	120	115	119	113

HEX General Index: 1794.78
Previous: 1752.18

Hong Kong

	High	Low	Close	Prev.
Amoy Props	8.05	7.90	7.95	7.95
Bk East Asia	28	27.70	28	27.90
Cathay Pacific	12.05	11.90	11.95	11.90
Cheung Kong	49.80	48.50	49.40	48.20
China Light	36.50	36	36.50	35.90
Chin Estates	5.35	5.15	5.35	5.10
Citic Pacific	28.60	27.20	28.50	27
Cons Elec Pwr	15.20	14.75	15	14.60
Dao Heng Bk	28.75	28.05	28.75	28
First Pacific	8.70	8.60	8.70	8.65
Great Eagle	20.85	20.55	20.85	20.45
Guangdong Inv	4.93	4.70	4.93	4.68
Guoco Group	39.90	38.50	39.80	38.30
Hang Lung	12.90	12.70	12.85	12.55
Hang Seng Bk	70	69.25	69.75	69.25
Henderson Inv	6.55	6.40	6.50	6.45
Henderson Ld	48.40	47.80	48.30	47.60
HKR Intl	7.90	7.45	7.80	7.30
HK Aircraft	20.70	20.30	20.60	20.15
HK China Gas	12.65	12.40	12.50	12.50
HK Electric	25.70	25.50	25.70	25.45
HK Shang Hits	11.55	11.40	11.55	11.25
HK Telecomm	14.20	14	14.15	13.90
Hopewell Hdgs	4.58	4.50	4.55	4.53
HSBC Hdgs	119.50	118	119	118
Hutchison Wh	50	48.60	49.70	48.20
Hysan Dev	21	20.65	20.90	20.55
Johnson El 500	14.80	14.25	14.75	14.05
Miramar Hotel	16.50	16.40	16.40	16.45
Natl Mutual	6.90	6.60	6.65	6.85
New World	34.60	33.80	34.60	33.90
Oriental Press	2.65	2.45	2.63	2.43
Orient Telecom	2.35	2.30	2.30	2.30
Shangri-La	9.95	9.70	9.90	9.65
SHK Props	66	64.50	66	64.50
Shun Tak Hdgs	5.75	5.65	5.70	5.65
Sino Land Co.	6.45	6.10	6.45	6.10
Sth China Post	4.88	4.75	4.78	4.75
Swire Pac A	62.50	60.75	62.50	60.50
Tsim Sha Tsui	6.50	6.10	6.50	6.15
TV Broadcasts	28.95	28.70	28.80	28.20
Wharf Hdgs	26.85	26.10	26.85	26
Wheelock	13.85	13.35	13.85	13.35

Hang Seng Index: 10397.44
Previous: 10204.87

Jakarta

	High	Low	Close	Prev.
Astra Intl	3575	3550	3550	3550
Barito Pacific	1725	1650	1700	1650
Gudang Garm	24700	24000	24500	23900
Indah Kiat	1725	1625	1725	1650
Indocement	7625	7600	7625	7625
Indofood	10975	10900	10900	11000
Indorayon	2350	2250	2350	2225
Indosat	8550	8300	8550	8375
Kalbe Farma	7750	7700	7700	7700
Sampoerna	23625	23500	23500	23500

Composite Index: 519.84
Previous: 512.48

Johannesburg

	High	Low	Close	Prev.
AngloAm-Corp	232	229	231	225
AngloAm Gold	306	301	306	297
AngloAm Ind	170.50	170	170.50	165.75
Barlow	55	54.50	54.50	52.50
C.G. Smith	29.10	29.10	29.10	28
De Beers	114.50	112.25	114.50	110.75
Driefontein	49.50	48	49.50	46.25
Freegold	30.25	28.75	29.75	27.25
Fst Natl Bk	34	34	34	33.75
Gencor	13.20	13	13.20	12.75
GFSA	112	110.50	112	109
Iscor	3.45	3.30	3.45	3.30
Johnnies Ind	56	55.50	56	55
Kloof Gold	38.50	36.75	38.50	34.25
Liberty Life	114	114	114	113
Nedcor	64	64	64	63
Rembrandt Gp	37	36.50	37	35
Richemont	56.75	56	56.75	55
Rust Platinum	63	61	63	60
SA Breweries	138	135	138	134
Sappi	58	56.25	58	56
Sasol	30.50	30	30.50	29.85
SBIC	175	175	175	175
Tiger Oats	64	63.50	64	63

All Market Index: 6407.52
Previous: 6250.73

Kuala Lumpur

	High	Low	Close	Prev.
Mal Banking	22.30	21.40	22	21.40
Mal Intl Ship F	6.80	6.70	6.70	6.65
Public Bank F	5.30	4.94	5.30	4.90
Resorts World	14.10	13.70	14	13.60
Sime Darby	6.75	6.60	6.75	6.60
Telekom Mal	20.20	19.90	20.20	19.90
Tenaga	10.40	10.10	10.30	10.20
Utd Engineers	16.70	16.30	16.70	16.30

Composite Index: 1020.11
Previous: 993.18

London

	High	Low	Close	Prev.
Abbey Natl	6.48	6.40	6.47	6.27
Allied Domecq	5.50	5.38	5.47	5.38
Anglian Water	6.01	5.85	5.90	6.05
Argyll Group	3.42	3.36	3.38	3.39
Arjo Wiggins	1.76	1.70	1.70	1.72
Asda Group	1.14	1.11	1.12	1.13
Assoc Br Foods	3.72	3.68	3.68	3.67
BAA	4.90	4.66	4.85	4.82
Barclays	7.79	7.65	7.79	7.59
Bass	7.29	7.20	7.25	7.17
BAT Ind	5.72	5.63	5.66	5.66
Bank Scotland	2.95	2.87	2.93	2.88
BICC	2.87	2.81	2.86	2.81
Blue Circle	3.43	3.39	3.40	3.37
BOC Group	9.10	8.98	9.04	8.99
Boots	5.99	5.59	5.92	5.90
Bowater	3.80	3.58	3.76	3.58
BPB Ind	3.04	3	3.01	3.01
Brit Aerosp	7.97	7.86	7.90	7.95
Brit Airways	4.78	4.64	4.59	4.63
Brit Gas	2.59	2.55	2.58	2.55
Brit Petm	5.73	5.38	5.41	5.36
Brit Steel	1.65	1.61	1.61	1.63
Brit Telecom	3.62	3.47	3.50	3.52
BTR	3.51	3.28	3.33	3.27
Burmah Cast	9.45	9.38	9.43	9.31
Cable Wireless	4.65	4.58	4.60	4.59
Cadbury Schw	5.47	5.40	5.44	5.36
Caradon	2.11	2.05	2.10	2.03
Carlton Comm	9.70	9.57	9.64	9.60
Coats Viyella	1.79	1.74	1.77	1.73
Comml Union	6.26	6.18	6.20	6.21
Courtaulds	4.19	4.08	4.15	4.04
De La Rue	6.75	6.57	6.73	6.60
Eastern Group	9.70	9.68	9.68	9.68
Eng China Cl	3.40	3.30	3.30	3.32
Enterprise Oil	4.02	3.95	3.98	3.97
Forn Colonial	1.64	1.63	1.63	1.62
Forte	3.48	3.40	3.44	3.45
Genl Accident	6.58	6.43	6.58	6.49
GEC	3.47	3.41	3.41	3.48
GKN	7.90	7.83	7.89	7.82
Glaxo Wellcome	9.08	8.96	9	9.02
Granada Gp	6.54	6.41	6.50	6.43
Grand Met	4.76	4.55	4.55	4.54
GRE	2.77	2.72	2.73	2.74
Guinness	4.85	4.73	4.82	4.73
GUS	6.94	6.83	6.88	6.90
Hanson	2	1.76	1.98	1.94
Hillsdown Hdg	1.72	1.68	1.70	1.71
HSBC Hldgs	10.02	9.92	10	9.81
ICI	7.99	7.76	7.96	7.63
Inchcape	2.55	2.48	2.50	2.52
Kingfisher	5.51	5.41	5.43	5.44
Ladbroke	1.61	1.55	1.59	1.54
Land Sec	6.34	6.22	6.30	6.18
Laporte	6.70	6.60	6.60	6.60
Lasmo	1.82	1.78	1.82	1.78
Legal Genl Grp	6.80	6.75	6.76	6.70
Lloyds Abbey	4.64	4.50	4.59	4.49
Lloyds Bank	8.50	8.41	8.48	8.48
London Elec	5.80	5.68	5.72	5.78
Lucas Ind	1.90	1.85	1.87	1.86
Marks Spencer	4.53	4.46	4.50	4.51
MEPC	4.18	3.98	4.04	3.95
Mercury Asset	8.82	8.70	8.73	8.70
Midlands Elec	7.48	7.60	7.64	7.61
Natl Power	4.51	4.42	4.45	4.48
NatWest	6.69	6.59	6.65	6.55
News Intl	3.11	3.07	3.08	3.03
Norweb	10.16	10.15	10.15	10.15
NthWst Water	6	5.90	5.91	6.16
Nthern Foods	1.86	1.75	1.78	1.74
P&O	4.90	4.83	4.85	4.83
Pearson	6.45	6.38	6.41	6.38
Pilkington	2	1.97	1.99	1.98
Powergen	5.33	5.27	5.30	5.29
Prudential	4.35	4.21	4.33	4.23
Rank Org	4.70	4.61	4.65	4.61
Reckitt Colm	7.27	7.13	7.24	7.12
Redland	3.92	3.86	3.87	3.87
Reed Intl	10.15	9.93	10.15	9.90
Rentokil	3.39	3.29	3.38	3.31
Reuters Hdgs	6.04	5.94	6.03	5.89
RMC Group	10.97	9.85	9.94	9.89
Rolls Royce	1.91	1.88	1.90	1.88
Royal Bk Scot	5.94	5.83	5.89	5.80
RTZ reg	9.38	9.15	9.17	9.25
Royal Insur	3.93	3.83	3.92	3.81
Sainsbury	3.93	3.85	3.85	3.91
Schroders	13.85	13.62	13.83	13.75
Scot Newcastle	6.15	6.11	6.14	6.08
Scot Power	3.76	3.70	3.74	3.68
Sears	1.05	1.01	1.01	1.05
Severn Trent	6.80	6.68	6.69	6.83
Shell Transp	8.65	8.58	8.61	8.58
Siebe	7.90	7.80	7.80	7.83
Smith Nephew	1.88	1.87	1.87	1.87
Smith (WH)	4.27	4.16	4.17	4.22
SmithKline dA	7.17	7.07	7.12	7.10
Smiths Ind	6.34	6.28	6.33	6.27
Sthern Elec	9.15	9.05	9.12	9.07
Stand Charter	5.78	5.62	5.71	5.60
Sun Alliance	3.91	3.77	3.82	3.76
Tate & Lyle	4.75	4.69	4.71	4.70
Tesco	3.11	3.01	3.10	3
Thames Water	5.54	5.43	5.45	5.50
Thorn EMI	15.47	15.10	15.39	15.10
3i Group	4.22	4.17	4.20	4.17
TI Group	4.77	4.66	4.72	4.60
Tomkins	2.90	2.86	2.89	2.87
TSB Group	4	3.97	4	4
Unilever	13.50	13.40	13.45	13.40
Utd Biscuits	2.69	2.55	2.68	2.57
Utd News	5.60	5.55	5.56	5.55
Vendome uts	5.90	5.85	5.88	5.85
Vodafone	2.28	2.20	2.20	2.27
Whitbread	7.02	6.91	6.91	6.87
Williams Hdgs	3.28	3.24	3.25	3.25
Wolseley	4.58	4.48	4.58	4.50
Yorkshire Elec	6.80	6.70	6.70	6.78
Zeneca	12.70	12.52	12.59	12.50

FT-SE 100 Index: 3715.60
Previous: 3687.90

Madrid

	High	Low	Close	Prev.
Acerinox	13140	12760	12790	12890
ACESA	1410	1400	1400	1395
Argentaria	5140	5030	5080	5020
BBV	4480	4410	4440	4440
Banesto	837	833	835	837
Bankinter	12600	12200	12390	12050
Bco Centro Hisp	2515	2450	2475	2475
Bco Exterior	3270	2780	3250	3270
Bco popular esp	22900	22710	22860	22580
Bco Santander	6370	6270	6270	6270
CEPSA	3280	3230	3280	3280
Corp Mapfre	7050	6820	6970	6800
Dragados	1750	1690	1690	1685
Endesa	7120	7060	7100	7040
FECSA	912	895	895	891
Fomento Const	10090	9850	9950	9690
Gas Natural	19200	18800	18800	18900
Hidroel Cantab	4295	4240	4250	4240
Iberdrola	1120	1105	1110	1100
Pryca	2625	2560	2560	2545
Repsol	4125	4070	4095	4045
Sevillana Elec	946	920	930	934
Tabacalera	4995	4665	4905	4600
Telefonica	1785	1765	1770	1740
Union Fenosa	733	724	727	725
Valenc Cement	1505	1505	1505	1520

Stock Exchange Index: 328.01
Previous: 326.03

Manila

	High	Low	Close	Prev.
Ayala A	22	21.50	21.75	21.75
Ayala Land	32	31.50	32	31.50
Manila Elec A	148	145	148	145
Metro Bank	520	505	520	500
Petron	14	13.50	14	13.25
Phil Long Dist	1470	1445	1465	1430
San Miguel A	53.50	52.50	53	52
San Miguel B	92.50	89.50	92.50	90
SM Prime Hdg	7.80	7.70	7.80	7.60

PSE Index: 2631.24
Previous: 2578.97

Mexico

	High	Low	Close	Prev.
Alfa A	105.00	102.20	104.00	102.30
Cemex B	31.00	29.50	30.60	29.10
Cifra C	8.56	8.12	8.50	8.06
Empresas ICA	90.80	88.00	89.90	90.00
Emp Moderna	31.60	31.00	31.35	30.95
Femsa	19.72	18.80	19.40	18.46
Gpo Carso A1	46.80	44.50	46.00	43.80
Televisa CPO	102.50	98.00	98.80	97.00
TelMex L	13.80	13.30	13.54	13.00
Tribasa CPO	32.40	31.30	32.40	31.70

Bolsa Index: 3004.78
Previous: 2929.43

Milan

	High	Low	Close	Prev.
Alleanza Assic	15550	15080	15490	15275
Bca Comm Ital	3450	3375	3395	3430
Bca Naz Agricol	1125	1045	1045	1128
Bca Naz Lavoro	11600	11310	11500	11450
Bca di Roma	1660	1638	1645	1635
Bco Ambrosiano	4390	4300	4300	4380
Benetton	19150	18950	19095	19080
Credito Italiano	1895	1850	1880	1865
Enichem Aug.	3320	3320	3320	3325
Fiat	5225	5155	5195	5195
Fondiaria	7450	7215	7390	7200
Generali Assic	38900	38550	38700	38750
IFIL	5020	4900	4910	4895
Italcementi	9885	9760	9800	9850
Italgas	4975	4880	4935	4880
Mediobanca	11140	10960	10980	10990
Montedison	1088	1064	1069	1078
Olivetti	1287	1250	1260	1278
Pirelli	2130	2065	2065	2100
RAS	18450	18115	18125	18100
Rinascente	9700	9455	9700	9550
S Paolo Torino	9440	9125	9415	9440
SME	3385	3300	3330	3255
Standa	22800	22500	22500	21000
Stet	4675	4550	4630	4565
Telecom Italia	2620	2535	2535	2560
Toro Assic	21700	21300	21600	21100

MIB Telematico Index: 9553.00
Previous: 9530.00

Montreal

	High	Low	Close	Prev.
Alco I	19½	18¾	19½	18¾
Bank Montreal	32	31½	31¾	31¼
Bce Mob Com	48	47¾	48	46½
Cdn Tire A	15¼	15	15	15
Cdn Util A	26⅝	26⅛	26½	26⅜
Cascades	7⅛	7	7⅛	7
CT Finl Svc	24½	24	24⅛	24
Extendicare	29⅛	29	29⅛	28⅞
Gaz Metro	15	14¾	15	14⅞
Gt-West Lifeco	29½	29	29½	28¾
Hees Intl Bcp	14⅛	14	14⅛	13⅞
Hudson's Bay	19⅞	19¾	19¾	19⅝
Imasco	27¾	27½	27¾	27½
Investors Grp	17½	17⅛	17½	16⅞
Loblaw Cos	31⅛	31¼	31¼	31⅛
Molson A	22⅞	22⅝	22⅞	22⅞
Natl Bk Canada	11⅛	11⅛	11⅛	11
Oshawa A	24	24	24	23⅞
Pancdn Petlm	53⅛	53	53	53
Power Corp	20¾	20⅝	20¾	20½
Power Finl	33½	33⅛	33⅛	33⅛
Quebecor B	20⅜	20⅛	20½	20½
Rogers Comm B	16	15⅜	15¾	15⅝
Royal Bk Cda	31⅞	31⅝	31¾	31¾
Sears Canada	6½	6	6	6½
Shell Cda A	44	43	44	42¾
Southam	14½	14¼	14½	14⅛
Stelco A	5⅞	5⅝	5⅞	6
Triton Finl A	4.45	4.45	4.45	4.45

Industrials Index: 2340.07
Previous: 2337.01

Oslo

	High	Low	Close	Prev.
Aker A	88	85	87	84.50
Bergesen Dy B	131	129	129	128
Christiania Bk	15.30	14.90	15.30	14.80
Den Norske Bk	17.30	16.80	17.30	16.80
Dt Norsk Luft	290	285	290	283
Dyno Indust	154	149	154	147.50
Elkem	76.50	75	75.50	74.50
Hafslund A	175	166.50	174	170
Kvaerner	235	223	230	228
Leif Hoegh	96	92	96	92
Norsk Hydro	280	268.50	278.50	272
Norske Skog A	190	183.50	190	185
Orkla	328	318.50	328	318.50
Rieber B	130	130	130	130
Saga Petlm B	82	80	81.50	78.50
Schibsted	89	86	87	86
UniStorebr A	36	35.50	35.70	35.30

OBX Index: 423.66
Previous: 413.66

Paris

	High	Low	Close	Prev.
Accor	659	646	657	641
AGF	167	164.10	164.10	164.60
Air Liquide	846	831	846	830
Alcatel Alsth	446	439.90	445	437.20
Axa	339.80	335.10	338.10	336.10
Bancaire	573	556	557	563
BNP	227.40	223.10	224.50	225.40
Bouygues	550	528	542	520
Canal Plus	948	939	946	934
Carrefour	3087	3035	3076	3017
CCF	259	252.20	258.70	253.70
CarnaudMB	224.20	223.80	223.90	223.90
Credit Local cf	404.90	396.50	402.20	392.50
Credit Lyon PC	246	229	239	239
danone	823	810	819	818
Elf-Aquitaine	374	368.50	373.80	368
Eridania BS	878	858	878	854
Euro Disney	11.25	10.68	10.60	11.10
Eurotunnel uts	7.20	6.95	7.15	7.15
Gen. Eaux	517	498	514	494.10
Havas	394.40	385.10	391.90	385.50
Lafarge Cop	335.60	330	333.70	329
Legrand	783	763	779	759
L'oreal	1359	1336	1358	1335
LVMH	1056	1036	1053	1038
Lyon. Eaux	495	481	494	475.70
Michelin B	197	195.20	197	195
Navig Mixte	693	678	688	685
Paribas A	279.90	275.50	279	271.60
Pechiney Intl	88	83.60	85.30	85
Pernod Ricard	296	285	292	284.40
Peugeot Cit	665	656	662	665
Pinault-Print	1025	1003	1019	996
Promodes	1205	1160	1201	1160
Renault	148.90	145	147.80	147.10
Rh-Poulenc A	109.90	107	108.60	107.50
Roussel-Uclaf	840	822	839	825
Sanofi	317	310.50	312.70	312.50
Schneider	179	170.50	178.10	168.50
Ste Generale	620	611	619	614
St Gobain	585	566	583	554
St Louis	1343	1315	1331	1315
Suez	207.90	205.60	207	204.20
Thomson CSF	116	112.30	113.60	112
Total B	344	340.60	343.30	338.50
UAP	135	130.10	135	130.70
Valeo	225	220	221	224

CAC-40 Index: 1942.96
Previous: 1998.38

São Paulo

	High	Low	Close	Prev.
Bco Brasil Pfd	11.10	10.70	10.90	10.95
Banespa Pfd	5.35	5.06	5.35	5.04
Bradesco Pfd	9.25	8.69	9.15	8.70
Brahma Pfd	446	409	446	409
Cemig Pfd	23.10	20.35	23.10	22.09
CESP Pfd	27.80	27	27.50	26.70
Eletrobras B	287	271	287	264.99
Itaubanco Pfd	297.50	273	297.50	273
Light	311	301	306	307
Paranapan Pfd	12.50	12.25	12.45	12.20
Petrobras Pfd	93.50	85.50	93	85
Sid Nacional	22.10	20.50	22.10	20.30
Souza Cruz	5.50	5.38	5.50	5.48
Telebras Pfd	52	49.70	51.75	48.25
Telesp Pfd	158	148	158	146.50
Usiminas Pfd	0.84	0.80	0.84	0.79
CVRD Pfd	173	169.98	172	166

Bovespa Index: 46814.80
Previous: 43900.50

Seoul

	High	Low	Close	Prev.
Daewoo Heavy	8300	8190	8300	8450
Hyundai Eng	36000	35500	35800	35600
Hyundai Motor	35000	34600	34600	35100
Korea El Pwr	31100	30400	31100	30800
Korea Mob Tel	617000	579000	617000	583000
LG Electronics	27600	26600	27500	27000
Pohang Iron St	51000	50300	50700	50700
Samsung Elec	143500	138000	142000	141000
Samsung Hvy	19900	19700	19700	19900
Yukong	26500	26000	26300	26800

Composite Index: 888.85
Previous: 882.94

Singapore

	High	Low	Close	Prev.
Cerebos Pac	10.30	10	10.20	9.80
City Devlts	10.90	10.40	10.90	10.50
Cycle Carriage	14.90	14.30	14.70	14.30
Dairy Farm Intl *	0.96	0.94	0.94	0.93
DBS	10.70	10.40	10.60	10.40
DBS Land	5	4.80	5	4.80
Fraser & Neave	18.70	17.90	18.60	17.90
HK Land *	1.90	1.85	1.90	1.86
Hong Leong Fin	4	3.90	4	3.90
Jard Matheson *	7.15	6.90	7.05	6.90
Jard Strategic *	3.12	3.06	3.08	3.06
Keppel	13	12.60	12.80	12.60
Natsteel	2.92	2.83	2.87	2.83
Neptune Orient	1.62	1.59	1.61	1.58
OCBC foreign	18.50	17.80	18.40	17.90
O'Sea Union Bk	6.95	6.65	6.95	6.65
Sembawang	8.25	7.95	8.25	7.95
Sing Airlines F	13.40	13.20	13.20	13
Sing Petlm	1.83	1.74	1.83	1.75
Sing Press F	25.90	25.30	25.90	25.20
ST Auto F	2.75	2.75	2.75	2.75
ST Ship	2.70	2.66	2.68	2.67
Sing Telecomm	3.28	3.16	3.22	3.16
Straits Steam	4.92	4.80	4.88	4.80
Utd Industrial	1.44	1.37	1.42	1.36
Utd O'Sea Bk F	14	13.40	14	13.40
Wing Tai Hdgs	3.02	2.94	3	2.93

*: In U.S. dollars.
Straits Times Index: 2366.21
Previous: 2258.07

Stockholm

	High	Low	Close	Prev.
AGA BF	92	91	91.50	91.50
Asea AF	660	648	660	647
AssiDoman F	146.50	142.50	146	142.50
Astra AF	276	271	275.50	271
Atlas Copco AF	103	101.50	101.50	102.50
Avesta F	62	59.50	62	60
Electrolux -b-	292	282	289.50	282.50
Ericsson BF	134	132	134	130.50
Gambro BF	152.50	151.50	152	152
Hennes BF	388	375	388	377
Incentive AF	290	280	285	275
Investor BF	226	224	225.50	223
Kinnevik BF	214	206	208	212.50
MoDo BF	316	296	315	291
Sandvik BF	121	118.50	120.50	117.50
SCA BF	107	106	106.50	104.50
S-E Banken AF	58	56.50	57	57
Skandia Fors F	186.50	184.50	186.50	184
Skanska BF	239	235	237.50	234.50
SKF BF	134	130.50	133.50	130
SSAB BF	69.50	68.50	69	68.50
Stora AF	84.50	82	83.50	81.50
Sv Handles AF	142	141	141.50	140.50
Sydkraft AF	150	150	150	150
Trelleborg BF	75.50	74	75	74.50
Volvo -b-	138.50	136.50	137.50	136

SX 16 Index: 1906.71
Previous: 1872.56

Sydney

	High	Low	Close	Prev.
Amcor	9.70	9.40	9.63	9.60
ANZ Bkg	6.51	6.46	6.49	6.40
BHP	19.55	19.28	19.53	19.24
Boral	3.49	3.41	3.49	3.40
Brambles Ind.	15.60	15.36	15.60	15.38
Burns Philp	3.10	3.03	3.08	3
CBA	11.10	10.96	11.09	10.95
CC Amatil	11.58	11.35	11.50	11.16
Coles Myer	4.31	4.24	4.30	4.23
Comalco	7.42	7.38	7.40	7.35
CRA Ltd	20.31	20.10	20.30	20.12
CSR	4.49	4.44	4.49	4.43
Fosters Brew	2.26	2.22	2.26	2.22
GIO Australia	3.25	3.18	3.25	3.16
Goodman Fld	1.36	1.34	1.35	1.35
ICI Australia	10.24	10.10	10.24	10.30
John Fairfax	2.88	2.85	2.88	2.82
Lend Lease	20.28	19.80	20.10	19.72
Mayne Nickless	6.12	6.04	6.05	6.07
MIM Hdgs	1.90	1.87	1.88	1.86
Nat Aust Bank	12.60	12.44	12.58	12.32
News Corp	7.42	7.29	7.42	7.23
North Ltd	3.81	3.72	3.74	3.80
Pacific Dunlop	3.20	3.15	3.19	3.19
Pioneer Intl	3.56	3.51	3.55	3.52
Placer Pacific	2.94	2.87	2.92	2.75
Santos	4	3.96	3.99	3.97
Southcorp	3.16	3.12	3.15	3.13
Wesfarmers	8.42	8.35	8.42	8.32
Wstrn Mining	8.93	8.80	8.92	8.75
Westfield Trt	2.46	2.44	2.45	2.40
Westpac Bking	6	5.95	5.98	5.94
Woodside Pet	7.13	6.95	7.13	6.92
Woolworths	3.35	3.28	3.35	3.28

All Ordinaries Index: 2258.10
Previous: 2226.40

Markets Closed

Stock markets in Taiwan and Tokyo were closed Wednesday for a holiday.

Toronto

	High	Low	Close	Prev.
Abitibi Price	21⅛	20½	20⅞	20¾
Air Canada	4.80	4.65	4.80	4.65
Alberta Energy	22¼	21⅞	22⅛	21⅞
Alcan Alum	43½	42¾	43⅛	43
Avenor A	24⅝	23⅞	24⅛	23⅞
Bk Nova Scotia	30⅝	30⅛	30½	30⅛
Barrick Gold	38⅛	37½	37¾	37⅝
BCE	48⅛	47¾	47¾	47⅝
BC Telecomm	25⅛	24⅞	25⅛	25
Bombardier B	18½	18⅛	18½	18½
Brascan A	24	23⅞	23⅞	23⅞
Cameco	51⅞	50⅝	51⅛	50⅜
CIBC	41⅞	41⅛	41⅛	41⅛
Cdn Airlines	3.30	3.20	3.20	3.35
Cdn Nat Res	20½	20	20⅛	20
Cdn Occid Pet	47	44⅝	46½	45½
Cdn Pacific	25⅛	24⅝	25	24⅝
Cominco	28⅞	28⅛	28⅞	28⅛
Consumers Gas	18⅛	18⅛	18⅛	18⅛
Dofasco	17⅞	17⅛	17⅛	17⅛
Domtar Ind B	10	9⅞	10	9⅞
Du Pont Cda A	24⅛	24	24	24½
Echo Bay Min	15½	15¼	15¼	15
Empire Co. A	13½	13	13½	13
Falconbridge	29⅛	28⅞	29	28⅝
Fletcher Chall A	22⅜	22	22¼	22¼
Franco Nevada	83½	80¼	82¾	80
Guardian Cap A	9⅝	9½	9½	9½
Hemlo Gold	14⅛	13⅝	14	13¾
Horsham	18⅜	18¼	18⅜	18½
Imperial Oil	50⅜	49¾	49⅞	49¾
Inco	45¾	44⅛	44⅞	45½
IPL Energy	32¼	31⅞	32	31⅞
Laidlaw A	14	13⅞	13⅞	13⅞
Laidlaw B	14	13¾	14	13¾
Loewen Group	35⅛	34⅞	35	35⅛
Ldn Insur Gp	28	27¼	28	28
Macmill Bld	17⅜	17½	17⅜	17¼
Magna Intl A	60⅜	58¾	60¼	58⅞
Maple Leaf Fds	6½	6⅜	6½	6⅜
Moore	25⅝	25½	25⅝	25½
Newbridge Net	60¼	58¾	58⅞	58¾
Noranda Inc	28¼	27⅞	27⅞	28
Noranda Forest	9¼	9	9¼	9
Norcen Energy	20¾	20½	20⅝	20⅜
Nthern Telecom	60¼	59⅝	59¾	59⅞
Nova	11¾	11⅛	11⅝	11⅛
Onex	14⅜	14½	14⅜	14⅜
Placer Dome	36⅛	35⅜	35⅜	34⅝
Potash Sask	96	94¾	94¾	96¼
Provigo	8¼	8	8	8½
Quebecor Prnt	23⅞	23¼	23⅞	23¼
Renaissance	35½	34	34⅞	34
Rio Algom	25½	25¼	25¼	25¼
Seagram Co	48¾	47½	48⅝	47½
Stone Consold	19⅛	18⅝	19⅛	18½
Talisman Eny	29¾	28	29¾	28
Teleglobe	18¼	18⅜	18⅜	18⅜
Telus	16⅛	15⅞	16⅛	15⅞
Thomson	19⅝	19¼	19¼	19⅛
TorDom Bank	24⅞	24⅝	24¾	24⅝
Transalta	14⅜	14⅛	14¼	14⅜
TransCda Pipe	19⅝	18⅝	19¼	19
Utd Dominion	30⅜	30	30⅜	29⅞
Westburn	10	9⅝	9¾	9¾
Westcoast Eny	20⅜	20¼	20½	20¼
Weston	50¾	50	50	50¾

TSE Industrials Index: 4819.51
Previous: 4767.82

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Vienna

	High	Low	Close	Prev.
Aust Airlines	1775	1775	1775	1758
Brau-Un Goess	497	494	496	492
Bond Vers Pfd	438	438	438	433
Creditanst PC	1490	1470	1489	1455
EA-Generali	3330	3260	3330	3250
EVN	1415	1398	1410	1386
Interunfall	1650	1650	1650	1575
Lenzing	856	855	855	855
Leykam	336	329	334	328
Mayr-Melnhof	526	508	524	506
OEMV	904	885	885	891
Oest Brau-Bet	465	460	462	461
Oest Elektriz	630	625	625	619
VA Tech	1327	1317	1323	1305
Wienerberger	2008	1993	1993	1995

ATX Index: 987.90
Previous: 975.27

Wellington

	High	Low	Close	Prev.
Air N Zeald B	3.80	3.78	3.80	3.80
Brierly Invt	1.28	1.22	1.27	1.21
Carter Holt ord	3.42	3.33	3.42	3.30
Fernz	4.09	4.06	4.09	4.04
Fisher Paykel	4.70	4.66	4.70	4.65
Fletcher Chall	3.68	3.60	3.68	3.53
Fletcher For	2.21	2.18	2.21	2.18
Goodman Fder	1.53	1.53	1.53	1.54
Indep News	4.77	4.70	4.77	4.65
Lion Nathan	3.70	3.65	3.67	3.65
Nat Gas hole	2.00	1.98	2.00	2.02
NZ Refining	24.30	24.30	24.30	24.00
Telecom NZ	6.87	6.70	6.85	6.60
Trust Bk NZ	2.05	2.03	2.03	2.05
Wilson Horton	9.30	9.15	9.30	9.15

NZSE-40 Index: 2262.86
Previous: 2249.82

Zurich

	High	Low	Close	Prev.
Adia B	195	190	194	188
Alusuisse R	944	933	935	914
Ares-Serono B	810	805	805	810
Baer Hdg B	1325	1300	1320	1285
Baloise Hdg R	2440	2400	2400	2400
BBC B	1364	1350	1362	1340
Bk Vision	1535	1515	1535	1505
Bobst B	1850	1800	1850	1800
Ciba Geigy R	1050	1028	1049	1015
CS Holdings R	121	120.25	120.50	118.25
Elektrowatt B	435	428	434	422
Fischer B	1525	1490	1500	1500
Hilti PC	925	917	922	919
Holderbank B	910	895	902	885
Landis Gyr R	943	941	942	940
Merkur Hdg R	262	257	257	253
Motor Colbus	2030	2000	2030	1980
Nestle R	1304	1287	1304	1276
Oerlikon R	97	95	97	94
Pargesa Hld B	1450	1420	1450	1380
PharmVisn B	6240	6150	6240	6090
Pirelli B	128	127	127	125
Roche Hdg PC	9325	9260	9325	9125
Safra Republic	100	100	100	100
Sandoz R	1093	1080	1090	1056
SBC B	477	473	476	471
Schindler hold	7210	7190	7190	7195
SGS B	2310	2295	2310	2290
SMH neuchatel	708	690	705	690
Sulzer R	710	655	682	660
Schweiz Rueck n	1354	1351	1354	1342
Swissair R	890	860	890	848
UBS B	1268	1259	1268	1250
Winterthur B	838	834	835	827
Zurich Assur R	360	350	360	345

SPI Index: 2172.31
Previous: 2123.43

A Strong Defense

Granada Jeers Forte Payout

Compiled by Our Staff From Dispatches

LONDON — Granada Group PLC said Wednesday that Forte PLC faced a "tall order" in meeting the dividend forecast contained in the hotelier's defense against Granada's hostile-takeover bid.

But Granada itself faced pressure, as analysts said needed to increase the value of its £3.3 billion ($5.14 billion) bid to counter the defense Forte unveiled Tuesday.

"If Granada doesn't come back with a higher offer in the next 48 hours," one senior trader said, "people will more or less say the bid is dead."

Granada has until Tuesday to raise its bid. The closing date for the offer is Jan. 23.

Following Forte's defense announcement, analysts said traders were switching their bets to the company.

"The chances of Forte surviving are significantly greater," one analyst said. "But it's not over yet."

"Forte has mounted a robust defense," another said, "and for the moment it looks marginally ahead."

In its defense, Forte said it would raise its dividend for the current financial year by 21 percent and promised additional 20 percent increases in each of the following three years. In addition, it promised to spin off to shareholders its 68 percent stake in the luxury chain Savoy Hotel PLC as well as buy back £800 million of its stock.

Chairman Sir Rocco Forte, son of Charles Forte, the Italian immigrant who founded the vast family hotel empire with a humble London milk bar in 1935, set out a determined stand against Granada.

"The new Forte will be a major international hotel company with an outstanding position in London and the U.K. and a strong worldwide presence," he said.

Under British takeover rules, Forte can issue no new information until the bid is closed.

But Gerry Robinson, chief executive of Granada, dismissed the dividend promises.

"For Forte to meet its commitments on dividend growth, whilst achieving a prudent level of dividend cover of two times, would require profits to double in three years," he said.

"This is a tall order for a management which has conspicuously failed to deliver profits, earnings and dividends in the past," he added. "Given Forte's history of failing to deliver, shareholders will need to ask how confident they can be in Forte's promises this time."

(AFX, AFP, Reuters)

■ U.K. Manufacturing Rising

British manufacturing showed a recovery in December after a slight contraction the previous month but growth remains fragile, according to a monthly survey published Wednesday, Reuters reported from London.

The Chartered Institute of Purchasing and Supply said its purchasing managers' index rose to a seasonally adjusted 50.7 percent in December from a revised 49.9 percent in November.

"The manufacturing economy recovered marginally in December from the minor contraction reported in November," it said.

"At 50.7 however — only marginally above the critical 50.0 level which indicates no change in activity — growth remains fragile and uneven, and the buoyancy seen in the first half of 1995 has disappeared."

The survey, based on monthly questionnaires sent to purchasing executives in 290 industrial companies, is seen as a barometer of how industry is performing.

Mediobanca Faces A Market Power Greater Than Itself

Reuters

MILAN — Mediobanca SpA has been dragged into launching a public offering for shares in industrial holding company Ferruzzi Finanziaria SpA, but now the Italian bank has to find a way to pay for its unwanted investment.

Mediobanca said Friday it would proceed with a public share purchase of stock in Ferruzzi Finanziaria, a holding company with a large stake in Montedison SpA, a chemicals group, and Fondiaria SpA, an insurer.

The move signals a victory for the stock market regulator Consob in its struggle to impose takeover rules on Mediobanca, the country's most influential bank, which has stakes in a range of blue-chip companies.

"People in the market are satisfied that Mediobanca has been made to follow the rules," said an equities analyst with a European bank in Milan.

Mediobanca's appeals against the Consob ruling were thrown out by the courts last month.

"This is the first piece of good news we have had from the market for some time," said Sasha Serafimovski, an analyst at Deutsche Morgan Grenfell in London. "It is a move in the right direction."

Mediobanca bought 10.7 percent of Ferruzzi shares in late October after rumors that corporate raiders had their sights on the company. The bank's honorary chairman, Enrico Cuccia, master-minded a bailout of Ferruzzi in 1993 by its creditor banks when the group came to the verge of bankruptcy, but he did not have to stake Mediobanca's cash at the time.

Mediobanca paid around 260 billion lire ($165.3 million) for the 10.7 percent Ferruzzi stake built up in October. The stake has since been diluted to 9.95 percent after Ferruzzi absorbed two units.

Consob ordered Mediobanca to make an offer to buy the same number of shares it bought in October at the same average price, 1,580 lire a share.

The bank's stake in Ferruzzi will not double because of the share offer because the company's equity base has been significantly enlarged by a capital increase. On completion of the buy offer, Mediobanca will hold 15.26 percent of Ferruzzi.

Consob has said the buy offer should only apply to shareholders in possession of Ferruzzi stock before a 1.048 trillion lire cash call went ahead in December. Mr. Cuccia is reported to think that all shareholders should be entitled to cash in some of their shares.

One thing is certain. Mediobanca did not bargain on having to pay out a large sum of money to ensure that control of Ferruzzi would not fall into unfriendly hands.

"It's a very big investment for Mediobanca, and they do not have that much cash," said Ms. Serafimovski.

To raise funds, brokers said, Mediobanca might attempt a rights issue, sell some of its equity holdings — including its current Ferruzzi shares — or try to break up Ferruzzi.

Police Arrest 2 Dresdner Executives In Tax Case

Reuters

FRANKFURT — Police have arrested two executives of Dresdner Bank on suspicion of abetting tax evasion, a prosecutor said Wednesday.

The arrests were the culmination of a two-year tax investigation into Dresdner and other banks.

A 59-year-old director and the 57-year-old head of a foreign business department, both based at Dresdner's branch in Koblenz, were detained on Dec. 29, said Norbert Weise, a prosecutor.

They were the first arrests in an official crackdown that began in January 1994 when tax investigators launched a series of raids on Dresdner branches throughout Germany, embarrassing and angering the bank, which has denied any wrongdoing.

"Customers of the bank are under suspicion of having moved funds to and from Luxembourg anonymously and thereby of evading tax, and Dresdner Bank staff are under suspicion of having helped them," Mr. Weise said.

He refused to comment on how long the executives were likely to remain in detention or whether he expected further arrests to be made.

Dresdner Bank confirmed the arrests but said they were linked to a special case and had nothing to do with the wider tax investigation.

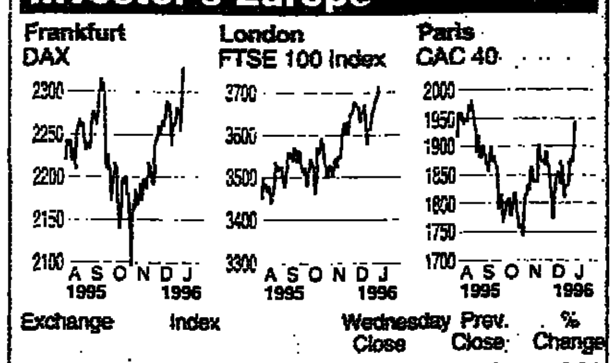
"We fully stand by our two employees and will give them any support, legal or otherwise," a Dresdner spokesman said. The arrests were linked to the special case of a businessman who was accused of evading tax, he said.

"It is totally different from the other cases examined by tax investigators in our bank and therefore cannot not be compared with them," the spokesman said. He refused to elaborate.

The prosecutor confirmed that a businessman based near Koblenz was arrested on Dec. 14 for alleged tax offenses, and that the bank executives were arrested in connection that case. He would not provide details.

German banks have come under fire ever since the 1994 introduction of a 30 percent withholding tax on interest income provoked an exodus of funds to Luxembourg.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	499.41	495.24	+0.84
Brussels	Stock Exchange	8,559.43	8,469.40	+1.06
Frankfurt	DAX	2,329.22	2,284.86	+1.94
Copenhagen	Stock Market	373.88	368.40	+1.48
Helsinki	HEX General	1,794.78	1,752.18	+2.43
Oslo	OBX	423.06	413.66	+2.27
London	FTSE 100	3,715.60	3,687.90	+0.75
Madrid	Stock Exchange	328.01	325.03	+0.92
Milan	MIBTEL	9,553.00	9,530.00	+0.24
Paris	CAC 40	1,942.96	1,908.38	+1.81
Stockholm	SX 16	1,906.71	1,872.56	+1.82
Vienna	ATX	987.90	975.27	+1.30
Zurich	SPI	2,172.31	2,123.43	+2.30

Source: Telekurs International Herald Tribune

Very briefly:

•**Accor SA** and **Volkswagen AG** have agreed on a restructuring plan for their jointly-owned Europcar unit that will include a capital increase valued at 650 million French francs ($132.5 million) through convertible loans.

• **Ford-Werke AG**, the German unit of **Ford Motor Co.**, said its sales rose 9 percent, to 25.5 billion Deutsche marks ($17.74 billion), in 1995. Production rose 5.4 percent, to 991,000 cars, while the company's share of the key German market rose to 11.4 percent from 10.2 percent in 1994.

•**Britain** will privatize **Railtrack**, the company that owns the track network on which British trains run, in May, the Department of Transport said. Analysts estimate the sale will raise up to £2 billion ($3.12 billion) through a public offering of shares aimed at small investors and financial institutions.

•**German** industrial output rose a seasonally-adjusted 0.1 percent higher in November from October, the Economics Ministry said. Germany's industrial output index (1991 equals 100) stood at 95.8 in November, compared with 95.7 in October, the ministry said.

•**IG Metall**, Germany's major union, said that a study it conducted shows that 90 percent of the foreign investment during the first half of 1995 by German companies is in the United States or the European Union, not in low-wage countries as popularly believed.

•**France's** cabinet approved a bill to allow cross-border securities trading in line with the European Union's new investment services directive. The bill will scrap the monopoly of French brokerages on their local market, allowing direct participation by foreign firms.

•**Israel Export Development Co.**, a private company, said it was abandoning a project to build a government-sponsored industrial zone, because of unacceptable changes in the conditions. The company had been the only prominent bidder for the project to create a high-technology equivalent of a free-trade zone located in the Negev Desert.

AFP, AP, AFX, Bloomberg, Reuters

France Telecom Calls Polish Bidding Unfair

Compiled by Our Staff From Dispatches

PARIS — France Telecom has launched an international legal appeal against tendering procedures for telephone licenses in Poland, claiming damages for broken promises and lost earnings of $500 million, the company said Wednesday.

France Telecom, which owns 24.5 percent of the Polish cellular phone company PTK Centertel, filed a notification of arbitration with the International Court in The Hague, claiming it was promised a license to operate GSM systems in Poland. Centertel offers mobile communication on an analog system, rather than the digital GSM, or global system for mobile communications, standard.

Polish government officials said no such promise was made and that France Telecom was required to bid for one of two 15-year GSM licenses in a government tender, which closed Wednesday.

But only three companies tendered for the two licenses, and France Telecom was not among them, the Polish radio communications agency PAR reported. The three consortia organized around Polish companies were led by Elektrim, which has links with Deutsche Telekom AG and U S West Inc., Petrochemia Plocka, linked to Tele Danmark and AirTouch Communications Inc. of the United States, and Ciech, which is working with Società Finanziaria Telefonica SpA.

A total of 18 companies had requested tender documents but most withdrew, arguing that the conditions prevented them from drafting precise estimates. The tender called for at least 51 percent of bidding groups to be controlled by Polish companies. *(Bloomberg, AFP)*

AMEX

Wednesday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5188.45	5207.08	5176.37	5194.07	+16.62
Trans	2006.83	2035.06	2000.37	2027.08	+27.51
Util	227.15	228.62	227.08	228.27	+0.84
Comp	1718.04	1727.11	1711.22	1722.89	+11.41

Standard & Poors

	High	Low	Close	Chg.
Industrials	730.21	725.44	727.41	−0.24
Transp.	488.38	482.28	485.93	+3.65
Utilities	205.34	203.28	205.33	+1.98
Finance	62.64	62.15	62.29	+0.06
SP 500	623.25	619.56	621.32	+0.59
SP 100	594.91	591.28	592.67	+0.89

NYSE

	High	Low	Last	Chg.
Composite	333.06	331.71	332.63	+0.92
Industrials	417.81	415.95	416.98	+0.64
Transp.	307.49	304.43	306.52	+2.69
Utility	256.92	254.35	256.91	+2.43
Finance	276.78	275.30	276.05	+0.75

Nasdaq

	High	Low	Last	Chg.
Composite	1057.26	1047.08	1047.08	−11.57
Industrials	967.34	959.19	959.19	−9.36
Banks	1014.74	1008.20	1014.74	+7.26
Insurance	1293.65	1286.95	1286.95	+1.36
Finance	1241.34	1238.43	1239.41	+1.23
Transp.	836.91	824.79	836.33	+10.57

AMEX

High	Low	Last	Chg.
553.20	550.97	552.17	+1.20

	Close	Chg.
20 Bonds	105.49	+0.13
10 Utilities	102.06	+0.17
10 Industrials	108.93	+0.09

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
TelMex	127222	36¾	35	36	+1⅜
SilcnGph	96832	23⅞	21⅝	21⅞	−1⅛
WstgEl	68107	18½	17¾	18¼	+1⅛
MicrnT s	55152	42	39	39⅝	−2⅛
WalMart	50460	23⅞	23⅛	23⅛	+⅛
FordM	49979	30⅛	29⅝	29⅞	+½
AT&T	48703	68⅞	67¼	68½	+1⅛
GTelevsa	44492	27¼	25½	26¼	+1⅛
PNC	34244	31½	29½	30¼	−1⅛
SCEcp	33804	18	17¾	17⅞	+⅛
AmExp	33088	41⅞	41¼	41½	+¼
Merck	32177	64⅞	63⅞	63⅞	−⅝
Compaq	31778	48½	46¼	46½	−1⅝
IBM	31268	91¼	89	89⅝	−1½
GenElec	30408	74⅞	73¼	73⅝	+⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
ApldMat s	140151	39¼	36¼	37½	−3¾
Intel s	90450	59⅞	57⅜	57¼	−⅞
SunMic s	85141	45¾	40⅝	41¼	−3½
Vtel	79141	11⅝	9⅝	10¼	−7
TelCmA s	55600	22½	20⅞	21⅝	+⅛
Cisco	53338	76¼	73¼	73⅝	−3
3Com s	50078	47¼	45⅝	46	−2⅛
GenNutr s	49141	23½	19¼	20⅝	−2
BayNtwk s	48602	42⅛	39⅝	40⅞	−1¼
InsoSol n	44853	9	6¼	6¼	−7
VLSI	42022	16	14⅛	15¼	−1⅛
DSC	41300	37⅛	34⅝	35	−2⅛
Oracle s	40934	43⅝	41⅛	41⅛	−2
XOMA	39292	5⅜	3⅝	5	+1
Microsoft	39122	90⅛	86⅝	86⅝	−3⅛

AMEX

	Vol.	High	Low	Last	Chg.
EchoBay	13822	11½	11⅛	11¼	+⅛
RoyalO g	10888	4⅞	3⅝	4⅝	+⅛
ViacB	8749	47⅛	46⅝	47	−⅛
Atari	6499	1⅞	1⅝	1⅞	+⅛
PegGld	5473	15⅝	15⅛	15⅝	+⅛
SPDR	5323	62½	62	62⁹⁄₃₂	+⅛
Hasbro	4320	31⅝	31	31⅝	+⅛
Han wtB	4104	½	⅜	½	
Oranan s	3170	19⅝	18½	19	−½
TWA n	2878	12	11⅞	11⅞	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	1525	1591
Declined	934	917
Unchanged	644	601
Total issues	3093	3109
New Highs	272	180
New Lows	5	8

Nasdaq

	Close	Prev.
Advanced	1826	2038
Declined	1852	1648
Unchanged	1656	1651
Total issues	5334	5337
New Highs	144	158
New Lows	39	29

AMEX

	Close	Prev.
Advanced	370	355
Declined	241	250
Unchanged	168	188
Total issues	779	793
New Highs	35	32
New Lows	10	7

Market Sales

	Today Close	Prev. cons.
NYSE	468.93	445.41
Amex	16.49	19.37
Nasdaq	473.40	399.63

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Grand Metro PLC	b	.7191	1-10	4-15
Kirin Brew ADR	b	.576	1-5	
b: approx amount.				
STOCK				
Far East NatlBk	-	10%	1-12	1-26
INCREASED				
BancFirst Corp	Q	.08	1-9	1-16
REGULAR				
Amer Fncl Grp	Q	.25	1-15	1-25
Bankers Corp	Q	.14	1-12	1-30
CSB Fncl Cp	Q	.10	1-19	1-31
Cameron Fncl Cp	Q	.07	1-12	1-29
Coml NetLeas	Q	.29	1-15	2-15
Com Svg No Palm	Q	.175	1-18	2-1
Emerg Mkts FloRt	M	.1325	1-12	1-26
Glbl Ptnrs Inco	M	.1187	1-12	1-31
Sun Communities		.445	1-8	
WinnDixie Strs	M	.075	1-16	2-1
WinnDixie Strs	M	.075	2-15	3-1
WinnDixie Strs	M	.075	3-15	4-1

a-annual; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cld - called.
d - new yearly low.
e - dividend declared or paid in preceding 12 months.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
P/E - price-earnings ratio.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

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INTERNATIONAL FUTURES

Jan. 3, 1996

Grains

	High	Low	Close	Chge	Opint
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 96	3.74½	3.70¼	3.74	+0.00¼	93,371
May 96	3.78	3.73½	3.77½	−0.01½	81,510
Jul 96	3.75	3.70½	3.74¾	+0.02	76,377
Sep 96	3.16¾	3.14¼	3.16¼	+0.01	17,373
Dec 96	2.98¾	2.96¾	2.97¼	−0.00½	41,002
Est. sales N.A. Tue's. sales 86,563					
Tue's open int 512,987 up 10652					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 96	239.50	235.40	239.40	+2.10	9,003
Mar 96	242.40	239.20	242.90	+1.80	59,384
May 96	243.50	239.50	243.50	+2.30	13,395
Jul 96	243.00	238.78	242.80	+2.60	12,919
Aug 96	239.00	235.00	239.00	+2.30	1,878
Sep 96	231.50	228.50	231.50	+2.50	1,513
Est. sales N.A. Tue's. sales 18,841					
Tue's open int 102,122 up 1837					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jan 96	25.26	24.98	25.18	−0.13	4,853
Mar 96	25.65	25.38	25.57	−0.13	41,474
May 96	26.02	25.72	25.95	+0.10	13,841
Jul 96	26.33	26.08	26.22	+0.11	10,999
Aug 96	26.45	26.25	26.32	+0.10	2,319
Sep 96	26.50	26.40	26.40	+0.10	949
Est. sales N.A. Tue's. sales 15,667					
Tue's open int 80,459 up 1302					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 96	7.57	7.43	7.56	+0.07½	13,141
Mar 96	7.67	7.53	7.66	+0.07¾	106,618
May 96	7.72	7.57½	7.71½	+0.09¼	23,249
Jul 96	7.72½	7.57½	7.71¾	+0.09½	27,757
Aug 96	7.65	7.52½	7.64	+0.07	2,024
Est. sales N.A. Tue's. sales 65,796					
Tue's open int 202,278 up 5399					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 96	5.09½	5.01½	5.08¼	−0.00¼	55,100
May 96	4.80½	4.74	4.79½	+0.00½	9,792
Jul 96	4.49½	4.42	4.48½	+0.02½	30,120
Sep 96	4.50	4.43	4.49	+0.02	5,472
Est. sales N.A. Tue's. sales 26,264					
Tue's open int 103,470 up 3235					

Livestock

	High	Low	Close	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 96	66.72	66.10	66.65	+0.65	31,275
Apr 96	66.60	66.15	66.47	+0.50	17,471
Jun 96	62.52	62.05	62.45	+0.43	10,111
Aug 96	61.35	60.90	61.22	+0.35	4,264
Oct 96	63.02	62.67	62.82	+0.17	3,888
Dec 96	63.55	63.32	63.45	+0.15	2,033
Est. sales 11,087 Tue's. sales 13,802					
Tue's open int 69,068 up 3328					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 96	60.90	60.30	60.55	−0.20	3,123
Mar 96	58.87	58.25	58.32	+0.25	4,632
Apr 96	58.85	58.20	58.35	+0.23	2,597
May 96	58.95	58.40	58.55	+0.23	2,360
Aug 96	60.60	60.12	60.35	+0.30	2,426
Sep 96	60.25	60.00	60.15	+0.25	244
Est. sales 2,719 Tue's. sales 4,533					
Tue's open int 17,655 up 1360					
HOGS (CMER) 40,000 lbs.- cents per lb.					
Feb 96	45.80	45.57	45.57	−1.50	15,020
Apr 96	45.80	44.97	45.30	−1.15	7,017
Jun 96	51.50	50.77	51.05	−0.65	5,936
Jul 96	51.30	50.55	50.87	−0.30	2,737
Aug 96	50.55	49.72	50.10	−0.30	2,476
Oct 96	46.50	46.00	46.10	−0.07	1,007
Est. sales 12,337 Tue's. sales 5,121					
Tue's open int 35,200					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 96	54.27	54.27	54.27	−2.00	4,601
Mar 96	54.40	54.10	54.10	−2.00	1,005
May 96	55.55	55.00	55.00	−2.00	560
Jul 96	56.50	56.10	56.10	−2.00	630
Aug 96	54.50	53.65	53.90	−0.75	173
Est. sales N.A. Tue's. sales 281					
Tue's open int 6,969 up 222					

Food

	High	Low	Close	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 96	1277	1246	1248	−23	37,385
May 96	1302	1271	1273	−21	17,156
Jul 96	1325	1295	1297	−21	6,145
Sep 96	1344	1318	1320	−22	9,536
Dec 96	1373	1350	1351	−20	8,101
Est. sales 9,903 Tue's. sales 6,589					
Tue's open int 84,994 up 1771					
COFFEE C (NCSE) 37,500 lbs.- cents per lb					
Mar 96	94.40	90.43	93.75	+2.50	18,717
May 96	93.25	90.10	92.95	+2.40	5,109
Jul 96	93.50	90.50	93.00	+2.15	1,954
Sep 96	92.90	91.00	93.20	+2.30	1,269
Est. sales 7,201 Tue's. sales 6,717					
Tue's open int 28,051 up 377					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 96	11.89	11.77	11.84	+0.01	85,989
May 96	11.43	11.34	11.37	−0.02	26,982
Jul 96	10.60	10.56	10.57		17,177
Oct 96	10.28	10.24	10.25		19,538
Est. sales 14,479 Tue's. sales 22,045					
Tue's open int 163,762 up 5839					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb					
Jan 96	119.30	116.80	116.75	−2.50	2,916
Mar 96	122.70	119.25	119.30	−2.95	13,069
May 96	125.50	122.10	122.15	−2.85	1,986
Jul 96	127.40	125.25	124.65	−2.95	734
Est. sales N.A. Tue's. sales 1,884					
Tue's open int 21,276 up 110					

Metals

	High	Low	Close	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 96			395.50	+4.30	13
Feb 96	396.30	391.60	396.20	+4.30	57,500
Mar 96			397.20	+4.30	
Apr 96	398.50	394.20	398.20	+4.30	15,916
Jun 96	400.60	395.70	400.20	+4.30	23,738
Aug 96			402.20	+4.30	4,519
Oct 96			404.20	+4.30	3,293
Dec 96	406.00	404.00	406.20	+4.20	10,611
Est. sales N.A. Tue's. sales 43,653					
Tue's open int 148,656 up 677					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb					
Jan 96	123.40	122.00	122.30	−1.10	2,764
Mar 96	118.50	115.80	116.90	−1.20	22,406
Apr 96	116.10	115.00	115.70	−1.20	635
May 96	115.30	113.80	114.55	−1.25	3,634
Jul 96	114.00	112.40	113.05	−1.20	2,289
Aug 96	113.00	112.50	112.45	−1.10	398
Sep 96	112.50	111.50	111.90	−0.95	2,108
Oct 96	112.50	111.60	111.40	−1.10	
Nov 96	112.50	111.25	110.90	−1.30	
Est. sales N.A. Tue's. sales 14,478					
Tue's open int 39,746 up 4353					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 96	538.0	538.0	533.8	−0.5	84
Feb 96			537.0	−0.3	
Mar 96	548.0	536.0	538.7	−0.3	61,463
May 96	553.0	542.0	543.5	−0.2	10,066
Jul 96	556.0	548.0	547.9	−0.1	7,455
Sep 96	560.0	553.0	552.3		8,891
Dec 96	568.0	560.0	558.7	−0.1	5,345
Jan 97			561.8	−0.1	
Est. sales N.A. Tue's. sales 32,721					
Tue's open int 96,849 off 1706					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 96	411.00	405.00	409.60	+4.80	646
Apr 96	415.40	408.00	413.40	+5.10	19,387
Jul 96	416.50	412.50	415.10	+5.10	2,368
Oct 96	418.00	418.00	416.83	+5.10	1,370
Jan 97			418.40	+5.10	
Est. sales N.A. Tue's. sales 4,486					
Tue's open int 23,825 up 135					

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1653½	1655½	1675.00	1676.00
Forward	1676.00	1678.00	1697.00	1698.00
Copper Cathodes (High Grade)				
Spot	2739.00	2740.00	2805.00	2810.00
Forward	2572.00	2573.00	2629.00	2630.00
Lead				
Spot	680.00	681.00	696.00	697.00
Forward	683.00	684.00	698.00	699.00
Nickel				
Spot	7450.00	7460.00	7525.00	7535.00
Forward	7565.00	7575.00	7650.00	7655.00
Tin				
Spot	6240.00	6250.00	6285.00	6295.00
Forward	6260.00	6265.00	6295.00	6300.00
Zinc (Special High Grade)				
Spot	989½	991½	997½	998½
Forward	1013.00	1015.00	1019.00	1020.00

Financial

	High	Low	Close	Chge	Opint
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 96	95.16	95.14	95.14	+0.01	7,762
Jun 96	95.37	95.34	95.36	+0.01	4,487
Sep 96			95.42	+0.02	147
Est. sales 1,008 Tue's. sales 568					
Tue's open int 12,396 up 558					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 96	110-185	110-115	110-15	+ 035	139,833
Jun 96			110-07	+ 035	11,057
Sep 96			110-07	+ 035	3,781
Est. sales 25,000 Tue's. sales 18,114					
Tue's open int 154,671 up 276					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 96	114-27	114-15	114-21	+ 05	214,447
Jun 96	114-07	113-29	114-02	+ 05	15,850
Sep 96	114-04	114-01	114-04	+ 05	325
Est. sales 45,000 Tue's. sales 40,409					
Tue's open int 233,622 off 3425					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 96	121-29	121-09	121-18	+ 07	378,245
Jun 96	121-15	120-28	121-05	+ 07	16,386
Sep 96	120-26	120-17	120-21	+ 07	5,978
Dec 96	120-09	120-05	120-05	+ 08	492
Est. sales 220,000 Tue's. sales 200,755					
Tue's open int 402,545 up 7775					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar96	110-27	110-03	110-05	— 0-13	135,794
Jun96	N.T.	N.T.	109-19	— 0-13	0
Est. sales: 39,012. Prev. sales: 42,344					
Prev. open int.: 135,794 up 3,254					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar96	99.88	99.60	99.66	— 0.09	206,532
Jun96	99.09	99.09	98.98	— 0.10	2,069
Est. sales: 96,371. Prev. sales: 73,263					
Prev. open int.: 208,601 up 6,759					

	High	Low	Close	Chge	Opint
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar96	109.29	108.77	108.92	— 0.22	53,067
Jun96	108.60	108.60	108.42	— 0.22	1,345
Est. sales: 31,414. Prev. sales: 28,101					
Prev. open int.: 54,412 up 1,138					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar	120.94	120.70	120.80	+ 0.04	
Jun	121.30	121.18	121.20	+ 0.02	
Sep	120.22	120.22	120.16	— 0.02	
Est. volume: 88,370. Open int.: 121,894.					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jan 96	94.430	94.420	94.420		29,930
Feb 96	94.580	94.570	94.580	- 10	11,607
Mar 96	94.700	94.660	94.680		432,416
Jun 96	94.940	94.910	94.920	+ 10	393,086
Sep 96	95.020	94.980	95.000	+ 20	251,187
Dec 96	94.940	94.890	94.920	+ 30	230,091
Mar 97	94.920	94.880	94.900	+ 30	161,812
Jun 97	94.810	94.770	94.800	+ 50	149,654
Est. sales 237,208 Tue's. sales 191,187					
Tue's open int 2,392,799 up 3021					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 96	1.5522	1.5454	1.5486	—48	30,610
Jun 96	1.5480	1.5420	1.5452	—50	39
Sep 96			1.5412	—52	5
Dec 96			1.5368	—58	14
Est. sales 7,595 Tue's. sales 11,274					
Tue's open int 30,668 up 350					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Can. dlr					
Mar 96	.7398	.7375	.7393	+ 18	25,471
Jun 96	.7394	.7373	.7390	+ 19	2,094
Sep 96			.7382	+ 20	666
Dec 96			.7373	+ 21	728
Est. sales 5,329 Tue's. sales 7,030					
Tue's open int 29,038 up 1563					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 96	.6991	.6935	.6941	—47	50,064
Jun 96	.7010	.6968	.6972	—47	2,886
Sep 96			.7001	—47	1,089
Dec 96			.7030	—47	15
Est. sales 21,569 Tue's. sales 20,080					
Tue's open int 54,054					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 96	.009730	.009626	.009637	—84	69,252
Jun 96	.009802	.009742	.009751	—87	2,147
Sep 96			.009858	—90	312
Est. sales 17,721 Tue's. sales 13,651					
Tue's open int 71,890 up 3373					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 96	.8714	.8637	.8651	—51	35,030
Jun 96	.8785	.8718	.8728	—52	1,000
Sep 96			.8861	—52	87
Est. sales 11,326 Tue's. sales 8,143					
Tue's open int 36,133 up 859					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar96	93.71	93.66	93.68	— 0.03	90,787
Jun96	93.82	93.74	93.75	— 0.08	61,765
Sep96	93.83	93.72	93.73	— 0.11	52,284
Dec96	93.71	93.55	93.58	— 0.14	37,697
Mar97	93.50	93.36	93.36	— 0.18	30,532
Jun97	93.32	93.18	93.18	— 0.18	27,091
Sep97	93.13	93.02	93.01	— 0.16	16,802
Dec97	92.93	92.83	92.81	— 0.15	12,792
Mar98	92.74	92.67	92.64	— 0.14	5,809
Jun98	92.58	92.47	92.47	— 0.11	4,107
Sep98	92.42	92.36	92.34	— 0.11	2,377
Dec98	92.28	92.22	92.19	— 0.13	416
Est. sales: 91,927. Prev. sales: 65,792					
Prev. open int.: 343,879 up 6,074					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar96	96.47	96.44	96.45	— 0.01	188,559
Jun96	96.59	96.55	96.56	— 0.01	136,651
Sep96	96.59	96.55	96.55	— 0.02	115,370
Dec96	96.47	96.43	96.43	— 0.01	114,119
Mar97	96.27	96.23	96.24	+ 0.01	113,144
Jun97	96.00	95.97	95.98	+ 0.01	95,050
Sep97	95.69	95.65	95.66	+ 0.02	63,496
Dec97	95.33	95.30	95.31	+ 0.02	44,066
Mar98	94.99	94.97	94.98	+ 0.02	26,784
Jun98	94.68	94.65	94.67	+ 0.03	22,468
Sep98	94.42	94.36	94.40	+ 0.01	16,197
Dec98	94.17	94.15	94.15	+ 0.01	2,755
Est. sales: 71,449. Prev. sales: 66,227					
Prev. open int.: 938,659 up 313					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar96	90.31	90.21	90.25	— 0.03	44,592
Jun96	90.71	90.63	90.65	— 0.03	23,855
Sep96	90.81	90.74	90.76	— 0.02	13,708
Dec96	90.78	90.72	90.75	— 0.02	6,753
Mar97	90.76	90.70	90.72	Unch.	3,593
Jun97	90.75	90.71	90.69	— 0.03	434
Est. sales: 21,888. Prev. sales: 12,038					
Prev. open int.: 92,935 up 2,359					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar	95.20	95.12	95.19	+ 0.09	
Jun	95.38	95.30	95.38	+ 0.10	
Sep	95.44	95.37	95.44	+ 0.09	
Dec	95.29	95.23	95.29	+ 0.10	
Mar	95.08	95.02	95.07	+ 0.08	
Jun	94.83	94.77	94.83	+ 0.08	
Sep	94.55	94.50	94.55	— 0.05	
Dec	94.30	94.27	94.29	— 0.04	
Est. volume: 42,685. Open int.: 161,115.					

Industrials

	High	Low	Close	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb					
Mar 96	82.50	80.30	82.15	+1.48	26,521
May 96	82.00	79.87	81.65	+1.38	10,061
Jul 96	81.30	79.40	80.95	+1.25	7,370
Oct 96	79.00	78.20	78.70	+0.08	1,829
Dec 96	77.00	76.40	76.88	+0.31	9,981
Mar 97			77.93	+0.28	
Est. sales N.A. Tue's. sales 4,510					
Tue's open int 58,222 up 448					

	High	Low	Close	Chge	Opint
HEATING OIL (NMER) 42,000 gal - cents per gal					
Feb 96	60.55	59.10	59.44	—0.49	60,352
Mar 96	57.45	56.15	56.46	—0.48	24,022
Apr 96	53.50	52.60	52.76	—0.43	5,873
May 96	51.10	50.60	50.46	—0.38	6,429
Jun 96	49.80	49.25	49.41	—0.38	8,166
Jul 96	49.35	49.25	49.16	—0.43	4,885
Aug 96	49.80	49.45	49.51	—0.43	3,177
Sep 96			50.16	—0.48	1,988
Oct 96			50.81	—0.53	1,501
Nov 96			51.46	—0.53	1,678
Est. sales 46,497 Tue's. sales 34,013					
Tue's open int 126,482 off 2352					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Feb 96	19.95	19.68	19.85	+0.04	86,708
Mar 96	19.38	19.20	19.33	+0.09	46,059
Apr 96	18.92	18.79	18.88	+0.04	28,013
May 96	18.59	18.48	18.58	+0.04	78,489
Jun 96	18.33	18.20	18.30	—0.01	35,954
Jul 96	18.17	18.03	18.10	—0.02	18,383
Aug 96	18.02	17.91	17.97	—0.01	10,277
Sep 96	17.89	17.85	17.85	—0.04	8,238
Oct 96	17.78	17.77	17.78	—0.03	10,997
Nov 96	17.74	17.67	17.73		7,256
Dec 96	17.68	17.59	17.59	—0.09	27,205
Jan 97	17.62	17.55	17.62	—0.01	7,752
Feb 97	17.62	17.55	17.57	—0.02	
Est. sales 85,954 Tue's. sales 75,097					
Tue's open int 358,523 up 5169					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Feb 96	3.100	2.860	2.975	+116	37,095
Mar 96	2.440	2.280	2.375	−80	23,282
Apr 96	2.040	1.960	2.000	+29	16,292
May 96	1.900	1.860	1.870	+9	13,205
Jun 96	1.835	1.810	1.820	+9	10,764
Jul 96	1.800	1.772	1.785	+9	8,059
Aug 96	1.800	1.770	1.785	+9	7,484
Sep 96	1.800	1.770	1.785	—1	6,520
Oct 96	1.860	1.820	1.830	—6	6,143
Nov 96	1.945	1.920	1.940	+11	4,174
Dec 96	2.035	2.010	2.020	−4	7,723
Est. sales 33,918 Tue's. sales 21,117					
Tue's open int 162,763 off 20					
UNLEADED GASOLINE (NMER) 42,000 gal - cents per gal					
Feb 96	59.50	58.60	58.74	—0.35	30,069
Mar 96	57.55	56.85	56.95	—0.16	12,258
Apr 96	59.00	58.25	58.40	—0.05	6,015
May 96	58.00	57.90	57.75	—0.05	5,185
Jun 96	57.25	57.25	56.90	—0.05	2,911
Jul 96	56.30	56.25	56.05	—0.05	3,021
Est. sales 18,675 Tue's. sales 12,876					
Tue's open int 62,506 up 874					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 96	179.25	177.25	179.00	+ 2.75	30,109
Feb 96	174.50	173.00	174.00	+ 2.00	28,619
Mar 96	168.75	167.50	168.25	+ 2.25	8,910
Apr 96	163.00	162.00	162.50	+ 2.00	4,315
May 96	160.00	160.00	159.75	+ 2.00	1,532
Jun 96	157.25	156.00	157.00	+ 1.50	5,436
July 96	156.25	156.00	156.00	+ 1.25	3,787
Aug 96	156.50	155.75	156.25	+ 0.75	1,409
Sep 96	N.T.	N.T.	157.25	+ 0.75	503
Est. sales: 17,750. Open int.: 87,356 off 1,690					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 96	18.68	18.52	18.63	+0.01	65,477
Mar 96	18.14	17.97	18.08	+0.03	27,894
Apr 96	17.67	17.54	17.65	+0.06	14,009
May 96	17.33	17.23	17.31	+0.04	11,750
June 96	17.09	16.99	17.08	+0.06	11,351
July 96	16.94	16.84	16.88	+0.04	4,964
Aug 96	16.81	16.71	16.74	+0.04	3,015
Sep 96	16.65	16.63	16.64	+0.06	1,205
Oct 96	N.T.	N.T.	16.54	+0.06	1,062
Nov 96	N.T.	N.T.	16.46	+0.06	838
Dec 95	N.T.	N.T.	16.39	+0.06	2,349
Jan 96	N.T.	N.T.	16.33	+0.06	650
Est. sales: 43,528. Open int.: 144,564					

Stock Indexes

	High	Low	Close	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Mar 96	628.20	623.55	625.55	+0.45	193,074
Jun 96	633.80	629.20	631.10	+0.40	5,952
Est. sales N.A. Tue's. sales 61,580					
Tue's open int 202,155 up 1804					
FTSE 100 (LIFFE) £25 per index point					
Mar96	3749.0	3728.0	3747.0	+ 30.0	61,514
Jun96	N.T.	N.T.	3749.0	+ 30.0	1,116
Est. sales: 11,126. Prev. sales: 7,629					
Prev. open int.: 62,630 off 461					
CAC 40 (MATIF) FF200 per index point					
Jan	1953.00	1924.00	1953.00	+ 35.50	
Feb	1952.50	1934.00	1960.00	+ 35.50	
Mar	1967.00	1939.50	1968.00	+ 38.50	
Jun	1933.50	1933.50	1950.50	+ 35.50	
Sep	N.T.	N.T.	1958.00	+ 35.00	
Est. volume: 18,883. Open int.: 56,265.					

Commodity Indexes

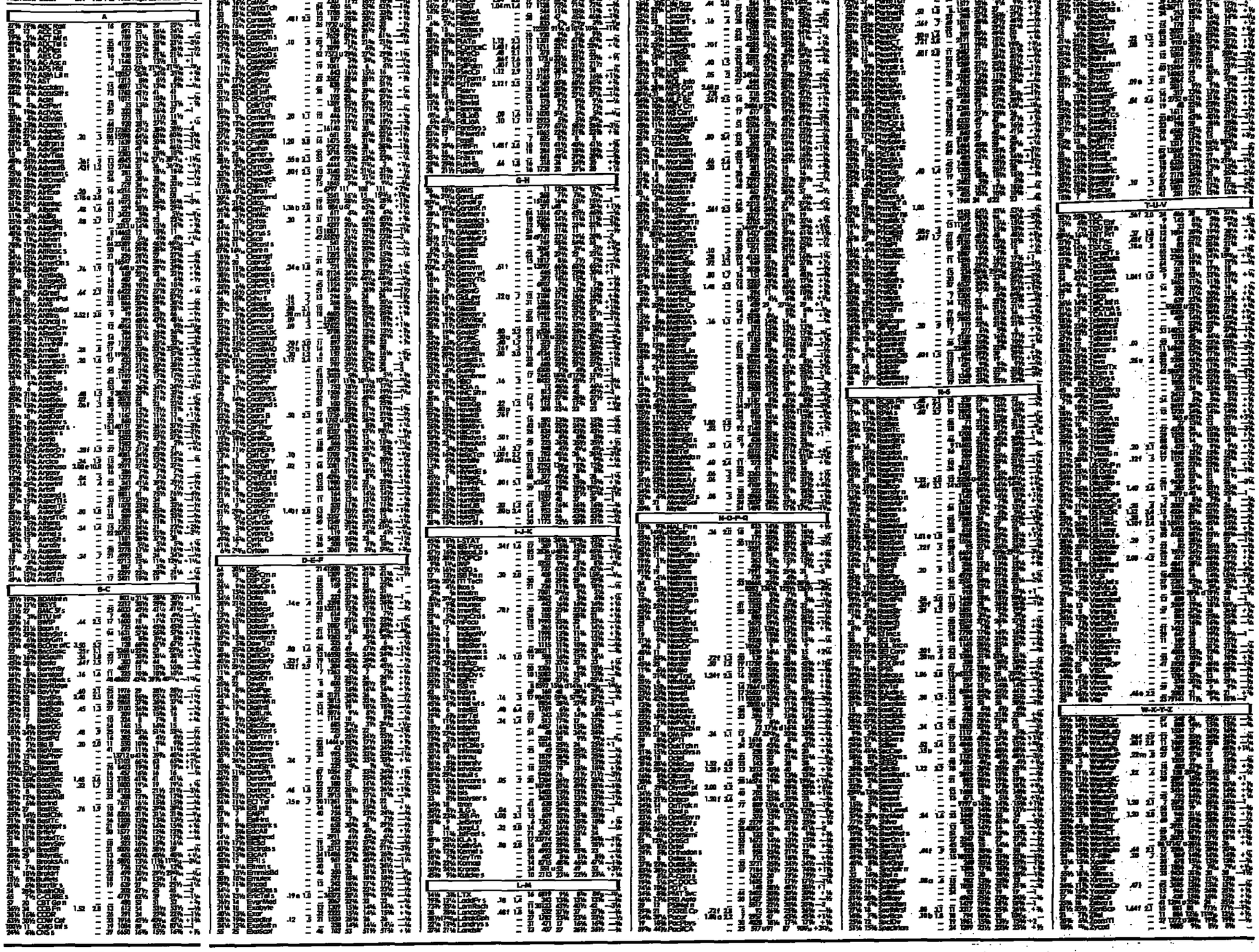
	Close	Previous
Moody's	1,431.20	n.a.
Reuters	2,081.40	2,090.40
D.J. Futures	146.24	145.95
CRB	245.03	245.44

For investment information
Read THE MONEY REPORT
every Saturday in the IHT

NASDAQ

Wednesday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.



NYSE

Wednesday's 4 p.m. Close

(Continued)

Indian Ford Factory To Get Investment Of Up to $569 Million

Compiled by Our Staff From Dispatches

MADRAS, India — Mahindra Ford India Ltd. said Wednesday that it had chosen a site near this southern city to make Ford cars for the fast-growing Indian market.

The joint venture between Ford nMotor Co. and Mahindra & Mahindra Ltd. said it would invest up to 20 billion rupees ($568.5 million) to build the Maraimalai factory. The first Fiesta model is to be completed by the end of 1998.

Production is scheduled to reach 100,000 cars a year.

"Site preparation for the all-new, fully integrated facility is scheduled to begin in January," Mahindra Ford said.

Ford is due to launch its Escort model by the end of the year at Mahindra's existing facility in Nasik in the western state of Maharashtra.

"Our decision on setting up the second manufacturing facility is another important step in Ford's goal of becoming a major player in India," said John Parker, managing director of Mahindra Ford.

"This new facility will be state-of-the-art and completely up to standards of any Ford manufacturing facility abroad," he added.

India's car market, closed to foreigners for decades, has been opened under a liberalization program that began in 1991. It is growing 25 percent to 30 percent a year.

The Press Trust of India news agency said the new plant would provide at least 2,000 new jobs in the Tamil Nadu state. It also reported that the Tamil Nadu government had offered a package of incentives to the automaker in addition to 350 acres (140 hectares) of land for the project.

Mahindra is India's largest manufacturer of utility vehicles and tractors. *(Bloomberg, Reuters)*

■ Fine Could Wipe Out ITC

ITC Ltd. could see its net worth evaporate if the government enforces a penalty of 7.99 billion rupees for allegedly avoiding excise payments between 1983 and 1987, analysts said, Bloomberg Business News reported from New Delhi.

But the analysts said that they doubted the diversified tobacco company would be forced to pay the full penalty. The company, which has denied any wrongdoing, has said it would appeal the excise department's order.

"ITC's entire net worth will be wiped out" if it must pay the full penalty, said V.V. Sivakumar, a research manager with Crosby Ltd.

ITC is one of the largest Indian companies, and its net worth was estimated at 8.54 billion rupees as of March 31.

ITC said Tuesday that its lawyers would prepare and file an appeal and "pursue all other appropriate legal remedies" against the penalty. "The company continues to believe that it has at no point of time knowingly transgressed the law," ITC said.

The penalty was imposed on the company for alleged underpayment of excise duties between 1983 and 1987. The company has until the end of March to appeal.

BAT Industries PLC owns 32 percent of ITC. The British company has been critical of ITC management, and it forced the previous chairman to resign last year, accusing the company of financial irregularities during his tenure.

Although BAT is the largest single shareholder in ITC, state-run institutions collectively own 37 percent.

Chinese Money Returns Home

Emigrants' Descendants Invest in 'Homeland'

Los Angeles Times

BEIJING — For Andrew T. Sun, the cycle is complete: His grandparents lived in China. His parents were refugees in Hong Kong, where he was born. He received his higher education in the United States. With three elder brothers, he moved to Taiwan to make his fortune. Now Mr. Sun, 41, is in the capital of China, the ancestral homeland, launching a business.

"Personally, I feel happy to come back," he said in his new, 450-seat TGI Friday's restaurant in northeast Beijing. "I feel like I'm giving something back to the homeland."

In business terms, Mr. Sun exemplifies what has been described as the rise of Greater China — the vast international business network formed by the diaspora of Chinese families overseas. As 1996 unfolds in Asia, Greater China is at center stage.

At a time when the industrialized world has slowed to a crawl, this dynamic region of Asia — which unites the consumer market of China, the manufacturing expertise of Taiwan and the financial savvy of Hong Kong — rises above the crowd for anyone monitoring shifting economic and political fortunes in Asia.

Japan's bureaucrats will spend this year trying to free their banks from a mountain of debt and kick-starting their sluggish economy. South Korea remains economically strong but politically paralyzed by scandals.

In Southeast Asia and India, governments are freeing up trade and liberalizing investment laws in an effort to compete for foreign money and markets.

But the region that will be followed most intensely is the Greater China triangle, whose fortunes are increasingly tied to the economic clout of *huaqiao*, or overseas Chinese, the roughly 30 million ethnic Chinese in 109 countries.

A common estimate puts overseas Chinese investment capital at $2 trillion. Peter Drucker, the management scholar, has estimated overseas Chinese account for 80 percent of foreign investment in China.

In the coming year, China's continued growth will be tested on several key fronts:

- China's growing trade surplus with the United States and most of the West — now second only to Japan's — will continue to create tension as foreign companies demand reciprocity in terms of a more open Chinese market.
- Taiwan's bold experiment with democracy will culminate with direct presidential elections in March, an unsettling event for the region.
- In July, Hong Kong will enter its final nervous year as a British possession before being absorbed by the People's Republic, setting off a scramble among investors seeking to adapt or escape.

In this period, people like Mr. Sun and his family — with interests in all of the affected territories — will be important links keeping the dream of Greater China alive. In the overseas Chinese community, he said, there is a maxim: "America is a place where it is easy to eat but hard to strike it rich; Asia is a place where it is easy to strike it rich but hard to eat."

■ China Opens National Interbank Market

China launched a trial national interbank market Wednesday, a system that should stabilize interest rates and reduce borrowing costs for cash-hungry state companies, Bloomberg Business News reported from Shanghai.

The market, which will eventually link commercial banks and 35 short-term credit offices across the country into a single computer network, allows banks to bid for and offer local-currency funds on an overnight or short-term basis of up to 120 days.

"This is a very, very big step for China," said Pan Ming, an economist at DBS Securities in Hong Kong. "Interest rates for short-term working capital loans will come down as the flow of information and money becomes more efficient."

Foreign banks cannot participate in the interbank market since they are barred from conducting yuan business.

Twelve banks and 15 credit centers took part in the morning session, according to the China Foreign Exchange Center, which is running the trial.

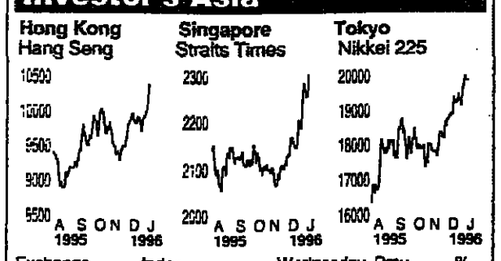
The Shanghai-based center said 15 transactions worth a total of 780 million yuan ($94.1 million) took place over the course of the day. The transactions involved loans lasting from one week to 120 days, using monthly interest rates ranging from 1.083 percent to 1.110 percent.

"The unification is good news for companies," said Ye Yumang, board secretary at Shanghai Haixing Co., China's largest domestic cargo handler. "Just how good depends on how well the system operates."

An official at one bank in the new market, Pudong Development Bank, said the trading system broke down several times during the day.

The trial runs through April 1, when the central bank is to begin open-market operations, the process of buying and selling government securities to expand or contract money supply.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,397.44	10,204.67	+1.89
Singapore	Straits Times	2,306.21	2,258.07	+2.13
Sydney	All Ordinaries	2,258.10	2,226.40	+1.42
Tokyo	Nikkei 225	Closed	19,868.15	-
Kuala Lumpur	Composite	1,020.11	993.18	+2.71
Bangkok	SET	1,323.43	1,280.81	+3.33
Seoul	Composite Index	888.85	882.94	+0.67
Taipei	Stock Market Index	Closed	5,158.65	-
Manila	PSE	2,631.74	2,578.97	+2.05
Jakarta	Composite Index	519.84	512.48	+1.44
Wellington	NZSE-40	2,202.86	2,149.82	+2.47
Bombay	Sensitive Index	3,088.40	3,111.96	-0.76

Source: Telekurs International Herald Tribune

Very briefly:

- **Cathay Pacific Airways Ltd.** is keeping its training facilities in Hong Kong, canceling plans to move them to Australia.
- **Shun Shing Holdings**, an engineering and construction company, said had won a public housing contract in Singapore worth 265.9 million Hong Kong dollars ($34.4 million).
- **Guangnan Holdings Ltd.** said it was paying 61 million Hong Kong dollars for a 25.02 percent of **Genroku Sushi Co.** from the restaurant chain's founder.
- **Advanced Semiconductor Engineering Inc.** is investing $130 million in a new facility in the Taiwan city of Kaohsiung to bolster production by the semiconductor packager.
- **The Philippines'** gross national product grew about 6 percent in 1995, President Fidel V. Ramos said, and the rate should increase by 1 percentage point in each of the next two years.
- **Petroliam Nasional Bhd.** is cutting crude oil output by 3 percent in 1996 as it upgrades condensate and natural gas output, the head of the Malaysian company was quoted as saying.
- **Vietnam** raised more than 1 trillion dong ($90.9 million) through bond and Treasury bill sales in 1995, the state treasurer was quoted as saying. *Bloomberg, AFP, Reuters, Knight-Ridder*

Skepticism Greets Chinese Tariff Cuts

Compiled by Our Staff From Dispatches

BEIJING — China published Wednesday the first list of products whose tariffs are being cut in what it called a sweeping reduction, but analysts and business leaders said the 234 products listed were little traded.

"Many of the products listed so far are ones where imports are not competitive anyway," said Anne Stevenson-Yang, the Beijing-based director of the U.S.-China Business Council.

International Business published the details of the tariff cuts. The official newspaper is to publish a second list Thursday from the 4,000 products whose tariffs China has pledged to cut April 1.

Examples of the biggest drops include imports of chlorine, with the tariff rate dropping from 50 percent to 8 percent.

Oxygen tariffs will fall from 50 percent to 40 percent. "I don't think anyone imports oxygen, including us," said Dee Storm, head of Beijing operations for the gas producer Praxair Inc. "They've been making it here for 50 years." *(Reuters, Bloomberg)*

AIR: *Upstart Action*

Continued from Page 11

Boeing 737s. Mr. McDonald accepted, though he remembers wondering why USAir would do business with a future competitor.

Then came the first of the Friday surprises. On the afternoon of Friday, Dec. 9, 1994, about four days before USAir was supposed to deliver the planes, it faxed him a letter calling off the deal.

A spokesman for USAir said the carrier terminated the tentative agreement only after learning where Nations Air planned to fly. Mr. McDonald contends the big carrier knew his plans from the outset.

"That, right there, almost killed the company," he said, adding that USAir's turnabout delayed his airline's first flight by three months and cost him $750,000.

Everything from insurance to airport deposits ended up costing more than expected. Because of delays in starting Nations Air, the bank that had agreed to lend him $1 million suspended — once again on a Friday, Feb. 24 — its commitment for four months.

After Nations Air published its fares several weeks before its first flight March 6, USAir undercut it on a limited number of seats.

On the day of his airline's first flight, Mr. McDonald gave a speech about its great future. But as he talked, he recalled, "I wondered if Nations Air would be the shortest-lived airline in history."

It almost was. In July, less than five months after the Federal Aviation Administration certified Nations Air to begin service, the agency subjected it to a special inspection. Officials found several paperwork deficiencies and, on Friday, July 14, told him he would have to close until the shortcomings were fixed. It took him a week to comply.

Then came the Friday fiasco in October that robbed him of his only working plane. Mr. McDonald hired charter airlines to carry passengers but was forced to cut some scheduled flights for a few weeks.

Nations Air appears to have stabilized finally, and its flights, with one-way fares that range from $39 to $119, are about 70 percent full these days, slightly higher than the industry average. In November, Mr. McDonald said, Nations Air turned its first operating profit.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

PLAID CLOTHING GROUP INC.,
f/k/a Plaid Holdings Corp.,
J. SCHOENEMAN, INC.,
f/a Schoeneman
f/a J. Schoeneman/Palm Beach Companies,
PALM BEACH COMPANY, INC.,
f/k/a PBC Holdings Incorporated
f/a Palm Beach
f/a Brannoch
f/a Calvin Clothing
f/a J. Schoeneman/Palm Beach Companies,
PLAID RETAIL GROUP INC.,
f/k/a Designer Forum, Inc.
f/k/a Bel Air Manufacturing, Inc.
d/b/a Designer Forum
d/b/a Palm Beach Outlet,
PLAID INTERNATIONAL INC.,
AMBROOK MANUFACTURING, INC.,
d/b/a Calvin Manufacturing
d/b/a Calvin Clothing,
PLAID INVESTMENT CO., INC.,
PLAID FINANCE CORP.,
SCHOENEMAN ENTERPRISES HOLDING, INC.,
f/a Gleneagles,
SCHOENEMAN ENTERPRISES, INC.,
Debtors.

Chapter 11
Case Nos. 95 B 43065
through 95 B 43074 (PBA)
JOINTLY ADMINISTERED

NOTICE OF LAST DAY FOR THE FILING OF PROOFS OF CLAIM AND OF PROCEDURE TO FILE PROOFS OF CLAIM

TO: ALL CREDITORS AND PARTIES IN INTEREST OF THE ABOVE-CAPTIONED DEBTORS:

PLEASE TAKE NOTICE that on July 17, 1995 (the "Filing Date"), each of the above-named debtors (collectively, the "Plaid Entities" or "Debtors") filed a voluntary petition for relief under chapter 11 of title 11, United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court has entered an order dated December 12, 1995 (the "Bar Order") requiring all persons and entities, **EXCEPT THOSE PERSONS AND ENTITIES DESCRIBED IN PARAGRAPHS A THROUGH G BELOW**, including individuals, partnerships, corporations, estates, trusts, and governmental units, which assert a Claim (as defined below) against any of the above-referenced Debtors, that (i) arose prior to the Filing Date or (ii) arose from the Debtors' rejection of an executory contract or unexpired lease prior to the date of the Bar Order, to file a proof of claim against such particular Debtor or Debtors with:

United States Bankruptcy Court
c/o Plaid Clothing Group Inc., *et al.*
P.O. Box 873, Bowling Green Station
New York, New York 10274-0873

or by delivering the same by hand delivery or courier service (but not by U.S. mail), to the Clerk, United States Bankruptcy Court, Room 534, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408, in either case so that it is actually received on or before 5:00 p.m. E.S.T. on February 29, 1996 (the "Bar Date"). Such proofs of claim will be deemed filed only when they are actually received.

As used herein, the term "Claim" means (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

NOTICE IS FURTHER GIVEN THAT IF YOU ARE REQUIRED TO FILE A PROOF OF CLAIM AND FAIL TO DO SO IN THE MANNER PRESCRIBED, YOU WILL BE FOREVER BARRED FROM VOTING UPON, OR RECEIVING DISTRIBUTIONS UNDER, ANY PLAN OR PLANS OF REORGANIZATION FOR ANY OF THE PLAID ENTITIES, AND WILL BE FOREVER BARRED FROM ASSERTING ANY SUCH CLAIM AGAINST ANY OF THE PLAID ENTITIES OR THEIR SUCCESSORS OR ASSIGNS.

Pending further order of the Bankruptcy Court, the following persons or entities are NOT required to file a proof of claim on or before the Bar Date:

A. Any person or entity that already has filed a proof of claim conforming substantially with Official Form No. 10 of the Bankruptcy Rules against the Plaid Entities with the Clerk of the Bankruptcy Court.

B. Any person or entity (i) whose Claim is not listed as "disputed," "contingent" or "unliquidated" in the Plaid Entities' Schedules of Liabilities (the "Schedules"), filed with the Clerk of the Bankruptcy Court, and (ii) who agrees with the classification and amount set forth therein.

C. Any person or entity having a Claim allowable under section 507(a)(1) of the Bankruptcy Code as an administrative expense of the Debtors' chapter 11 cases.

D. Any person or entity having a Claim allowed by order of the Court entered on or prior to the Bar Date.

E. Holders of any 11% Senior Subordinated Notes Due 2003 issued by Plaid Clothing Group Inc. need not file a proof of claim arising from their ownership of such securities; provided, however, that any such holder who wishes to assert a Claim against any of the Debtors that is not based solely upon ownership of such securities must file a proof of claim on or prior to the Bar Date, unless another exception provided for herein applies.

F. Any of the Debtors or any affiliate of the Debtors holding a Claim against one or more of the other Debtors need not file a proof of claim in respect of such Claim.

G. Holders of outstanding shares of common stock of Plaid Clothing Group Inc. need not file a proof of interest arising from their ownership of such shares; provided, however, that shareholders of any of the Debtors who wish to assert a Claim against any of the Debtors that is not based solely upon ownership of the Debtors' common stock, including, without limitation, Claims based on (i) unpaid dividends declared prior to July 17, 1995, (ii) stock subscription agreements with Plaid or (iii) any other obligations of the Debtors, must file a proof of claim on or prior to the Bar Date.

NOTICE IS FURTHER GIVEN that any person or entity having a Claim arising from the rejection of an unexpired lease or executory contract pursuant to any order entered on or after February 28, 1996 shall file proof of such claim on or prior to the date fixed in the order authorizing such rejection.

NOTICE IS FURTHER GIVEN that acts or omissions of any Debtor that occurred prior to the Filing Date may give rise to Claims against such Debtor notwithstanding the fact that such Claims (or the injuries on which they are based) may be contingent or may not have occurred, matured or become fixed or liquidated prior to such date. Therefore, any creditor having a Claim or potential Claim against a Debtor, no matter how remote or contingent, must file a proof of claim on or before the Bar Date.

NOTICE IS FURTHER GIVEN that any proof of claim filed shall specifically set forth the name or names of each Debtor against which such Claim is asserted, and shall be in substantial conformity with Form No. 10 of the Bankruptcy Rules.

NOTICE IS FURTHER GIVEN that copies of the Schedules are available for inspection during regular business hours at (i) the offices of Kaye, Scholer, Fierman, Hays & Handler, Attorneys for the Debtors, 425 Park Avenue, New York, New York 10022, (ii) Bankruptcy Services, Inc., 400 Park Avenue--9th Floor, New York, New York 10022, and (iii) the Office of the Clerk, United States Bankruptcy Court, Southern District of New York, 5th Floor, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408 between the hours of 9:30 a.m.-noon and 1:30-4:00 p.m. Monday through Thursday. In the event you have any questions concerning the filing of your proof of claim, you may telephone Bankruptcy Services, Inc. (212) 527-1297 between the hours of 9 a.m. to 5 p.m., Eastern Time.

Dated: New York, New York
December 15, 1995

BY ORDER OF THE COURT
s/ PRUDENCE BEATTY ABRAM
United States Bankruptcy Judge

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER
Attorneys for Plaid Clothing Group Inc., *et al.*
Debtors and Debtors in Possession
Andrew A. Kress, Esq.
Fredric Sosnick, Esq.
425 Park Avenue, New York, New York 10022
(212) 836-8000

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MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Saint Jude, help of the hopeless, pray for us. Amen. Say this prayer nine times a day, by the ninth day your prayer will be answered. It has never been known to fail. Publication must be promised. S.R.

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WORLD ROUNDUP

Greg Wood/AFP

Chanda Rubin hitting out in her victory over Iva Majoli.

Croatia Beats U.S.

TENNIS Croatia beat the United States, 2-1, in the Hopman Cup team tennis championship in Perth, Australia. Chanda Rubin won the opening women's singles match against Iva Majoli, but Goran Ivanisevic then defeated Richey Reneberg and combined with Majoli to beat Reneberg and Rubin in the mixed doubles.

Martin Sinner saved three match points before beating Mark Philippoussis as Germany ended Australian hopes. Sinner's triumph gave the cup holders a winning 2-0 lead and left them on the brink of qualifying for the final. *(Reuters, AP)*

Nigeria Risks Long Ban

SOCCER Nigeria risks a six-year suspension from the African Nations' Cup if it goes ahead with its decision to withdraw from the tournament in South Africa this month, Issa Hayatou, the president of the Confederation of African Football, said. *(Reuters)*

North Korea Joins In

OLYMPICS North Korea has confirmed it will take part in the 1996 Olympic Games in Atlanta, completing a full lineup of countries for the first time. *(Reuters)*

Reds Re-Sign Larkin

BASEBALL Barry Larkin, the National League's MVP, and the Cincinnati Reds agreed to a $16.5 million, three-year extension through 1999 with a club option for 2000 that could make the deal worth $21.2 million. Larkin is in the last year of a $25.6 million, five-year contract. *(AP)*

The Shark Upsets Lobos

BASKETBALL In his first Western Athletic Conference game at Fresno State, Jerry Tarkanian coached the Bulldogs to a 76-75 victory over No. 25 New Mexico. It was the Lobos (10-1) first game as a ranked team since 1993 and their first loss of the season. *(AP)*

Now, Nebraska Basketball

Chester Surles, a sophomore on the Nebraska basketball team was suspended after being arrested for allegedly assaulting his girlfriend. Police said the 19-year-old woman was not seriously hurt. *(AP)*

• A woman who told police that the Kansas City Chiefs' cornerback Dale Carter threw pizza at her does not want any charges filed.

Carter, chosen for the 1996 Pro Bowl, had been arrested on a municipal assault warrant arising from an Oct. 7, 1995, incident at a Kansas City hotel. *(AP)*

Nebraska, Undisputed No.1, Routs Florida

Cornhuskers Remain Champions With 62-24 Fiesta Bowl Victory

The Associated Press

TEMPE, Arizona — On the field, they found perfection. There, at least, no one could touch them.

In a season when Coach Tom Osborne spent as much time defending his players as they spent defending the national championship, Nebraska stamped itself as one of college football's greatest teams.

Billed as a matchup between the two best teams, the No. 1 Cornhuskers instead made Florida look like all the Pacifics and Missouris and Iowa States they usually rout.

The Gators' coach, Steve Spurrier, could only close his eyes and rub his brow as Nebraska wrecked his Fun 'n' Gun offense and romped to a 62-24 victory Tuesday night in the Fiesta Bowl.

Lawrence Phillips, suspended for six games after assaulting a former girlfriend, ran for 165 yards and three touchdowns in his first start since the incident. Nebraska's quarterback, Tommie Frazier, ran for 199 yards and two scores, including a 75-yard, tackle-breaking surge that may have convinced National Football League scouts there's a place for him yet.

"We wanted to come and show everybody we were the best team," the center, Aaron Graham, said.

"If the program was bad, if the program had flaws in it, then we should have crumbled. "We didn't crumble. We stood strong," he said.

At 12-0, Nebraska became the first team to repeat as champions since Alabama in 1978-79 under Bear Bryant, and the first team to win consecutive titles with perfect records since Oklahoma in 1955-56.

The only beating Nebraska took came from critics who branded the Huskers outlaws after Phillips and three others were arrested during a three-month period. Osborne, whose character and ethics had never been questioned, found himself under attack for allowing Phillips back on the team and permitting two players charged in shootings to play.

"I'm glad the season is over," Osborne said to reporters. "I hope all you guys concentrate on basketball now. I need a vacation."

So does Spurrier after Florida (12-1) surrendered the most points since a 63-14 loss to Auburn in 1970. Danny Wuerffel was intercepted three times and sacked a career-high seven times, once for a safety.

"Nebraska's just way better than us," Spurrier said. "They outcoached us and outplayed us. We got smashed up front. Tommie Frazier made us look like we weren't trying at times.

"They clobbered us up and down the field. They're just too good for us," he said. "We did not come to the ballpark to play the best we could. I'm embarrassed about that. As coaches, we did a lousy job somehow."

Nebraska dominated the meeting between the last remaining undefeated, untied teams, scoring 29 straight points in the second quarter for a 35-10 halftime lead.

By then, this season's Super Bowl of college football looked like another real Super Bowl — a mismatch. Maybe there's a reason: in less than four weeks, the NFL will also hold it championship game at Sun Devil Stadium.

This matchup was labeled as a classic air versus ground confrontation. Nebraska led the country in rushing (400 yards per game) and scoring (52 points per game), and it was easy to see why as the team rushed for 524 yards.

Yet Osborne, whose only loss in three seasons was an 18-16 defeat by Florida State in the national championship game two years ago, showed he had some tricks to match Spurrier's gimmicks.

After Florida took a 3-0 lead on the game's first possession — only the second time Nebraska had trailed all year — the Cornhuskers came back when Frazier rolled right on an apparent run, then threw back across the field to a wide-open Phillips, who was escorted into the end zone for a 16-yard touchdown.

Later in the quarter, after Frazier threw an interception, Osborne returned to what his team does best — calling 14 straight running plays, one of which Phillips turned into a juking, 42-yard score.

The game was well in hand when Frazier made the play of the night, breaking six tackles by four players for a 75-yard TD run for a 49-18 lead at the end of the third quarter. Graham, the center, admitted he was already walking back to huddle for another play when he saw Frazier shake loose.

"Frazier is a great football player. We think the option still has a place in football. He showed that tonight," Osborne said. The senior's slippery style might find him a job in the NFL similar to the one held by Kordell Stewart at Pittsburgh.

Wuerffel, who had set an NCAA record for passing efficiency in the regular season, was pressured into his worst performance of the year. The junior was just 17-of-31 for 255 yards.

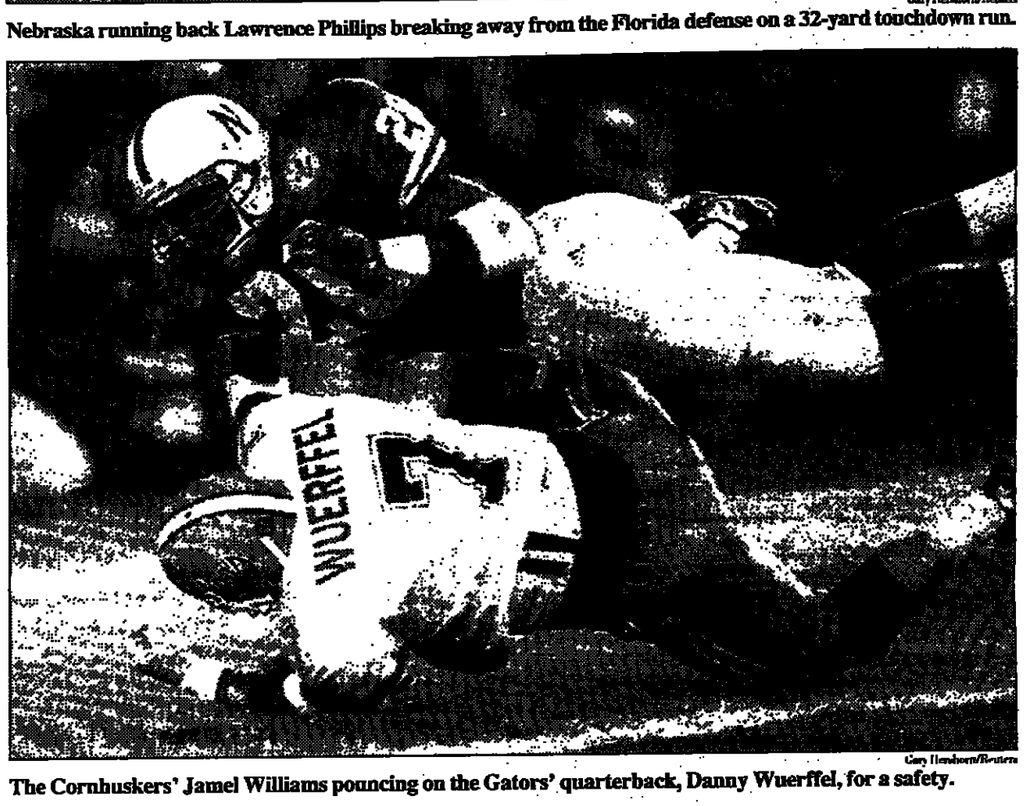
"The biggest thing I can say is at halftime, we didn't want to be another front-runner team that goes out there and plays and gives up," Wuerffel said. "We kept playing."

■ **Nebraska Tops Polls**

Nebraska was officially crowned as national champion for the second straight year by a unanimous vote of all 62 voters in The Associated Press poll. Nebraska also topped the CNN-USA Today coaches poll.

Gary Hershorn/Reuters

Nebraska running back Lawrence Phillips breaking away from the Florida defense on a 32-yard touchdown run.



Gary Hershorn/Reuters

The Cornhuskers' Jamel Williams pouncing on the Gators' quarterback, Danny Wuerffel, for a safety.

Red Night in the Desert as Grain-Fed Hordes Run Wild

New York Times Service

TEMPE, Arizona — The first sign was the flood of red shirts swarming over the desert this week. There were vastly more red Nebraska shirts than orange-and-blue Florida shirts in the narrow, outdated thoroughfares and sprawling shopping centers of the Phoenix area.

The dedication, the tenacity, the devotion of Nebraska fans was an omen of the stomping that was to follow in a long evening at the Fiesta Bowl. Nebraska fans had been gobbling up airline tickets and hotel reservations for a year, knowing that this year the unholy bowl alliance would become a reality.

Of course, you could also say that Nebraska fans had more climatalogical incentive to get here than Florida fans. The domination of red inside the Fiesta Bowl was truly impressive. Turns out the Nebraska fans had gobbled up most of the game tickets, too.

Vantage Point / **GEORGE VECSEY**

The color motif was no more overwhelming than the power and the speed of the Nebraska Cornhuskers. Once those 300-pound (136-kilogram), grain-fed brutes began blasting open holes, once Lawrence Phillips and Tommie Frazier started high-stepping it toward the end zone, it was a red, red night in Tempe.

Nebraska is the national champion for the second straight season, and this time there cannot be even the slightest debate.

Last year, Penn State won the Rose Bowl then sniffed and whimpered a bit about the unfairness of the poll system because Nebraska destroyed Miami in the Orange Bowl and was voted the top team.

But the new alliance really kicked in on Tuesday night when the two top-rated teams in the country finally — finally — arrived at kickoff after what seemed like years of anticipation.

Now the suspense was over. Either run-and-gun Florida or run-you-over Nebraska would be national champion. Even before Tuesday night's romp, it hardly seemed worth putting the "unofficial" in front of the phrase.

America now has a floating, established permanent crap game. Every year, the championship game will scuttle south of the Newt-Perot border, from Miami's soon-to-be suburbanized Orange Bowl to New Orleans' authentically southern Sugar Bowl to Arizona's pull-up-the-ladder, Jack, we've-escaped-to-the-Sun-Belt Fiesta Bowl.

With the two top-ranked teams locked into one bowl, it was reasonable to expect a competitive game. Florida came out throwing the ball, as always, quick little slants from Danny Wuerffel to Chris Doering, using up a few seconds per play. But quickly the Nebraska defenders cut down the angles, put on the pressure, and the offensive line opened holes for Phillips. In a way, Phillips's superiority would only revive the debate about whether he should have been here.

It is easy to say, "No wonder Osborne was so eager to rehabilitate Phillips — look at the way he can run."

The running back was suspended for six games during the season after being arrested in the beating of his former female friend. He pleaded no contest to misdemeanor charges, was found guilty and was sentenced to a one-year probation.

The pain and the ugliness of the assault should never be forgotten, but Coach Tom Osborne has steadfastly defended allowing Phillips back onto the team.

Could Nebraska have won the game without Phillips? Probably. But that isn't the point, either. When does punishment end and where does rehabilitation and acceptance begin?

For Lawrence Phillips, acceptance included a trip to Arizona — and a major contribution to the national championship. He will have to justify Osborne's gesture for many years to come.

Now Nebraska takes possession of a championship trophy that has the name of a department store on it. (Actually, the Fiesta Bowl temporarily has the name of a snack maker affixed to it, but I'm a little leery about giving publicity to all these companies, what with giant corporations swallowing each other up with capitalist rapacity.)

The Nebraska fans in their red outfits can head home, knowing where they stand. They won the battle of the sweatshirts in the streets and malls of Arizona. And their Cornhuskers finished the business on the green grass of the Fiesta Bowl.

Bowlers Thwart England With Their Late Batting

Reuters

CAPE TOWN — Paul Adams and Dave Richardson spoiled England's day with a last-wicket stand of 73 runs, the highest of the match, to tilt the deciding final cricket test Wednesday toward South Africa.

South Africa recovered from 171 for nine wickets to 244 all out on the second day to gain a vital first-innings lead of 91 at Newlands after England had been bowled out on the first day for 153.

Mike Atherton fell in the fifth over of England's second innings, caught behind off Allan Donald for 10. And it could have been worse as the night-watchman Angus Fraser was dropped off Donald's last ball of the day as England finished at 17 for one from seven overs.

Adams had totaled just four runs in six first-class matches before he came in with South Africa in trouble. Devon Malcolm, the England fast bowler, gave the 18-year-old a torrid time but could not get him out and as the stand progressed, Adams supplemented the strokeplay of Richardson with some fine shots of his own.

When the stand was eventually broken by a brilliant diving catch at second slip by Graeme Hick, the pair had added 73 — the third-highest last-wicket partnership in South Africa's test history. Adams was out for 29, leaving Richardson unbeaten on 54.

The stand came after England's best bowling performance of the tour, with South Africa collapsing from 125 for three to 171 for nine.

Peter Martin (three wickets for 37) and Dominic Cork (three for 60) took the most wickets but, with the exception of a listless Malcolm, the whole attack contributed.

•In Hobart, Tasmania, the West Indies recorded its first victory in the World Series limited overs competition. It scored a 70-run victory against Sri Lanka on Wednesday. The West Indies scored 194 in 48.2 overs after being sent into bat.

Tight bowling and smart fielding enabled West Indies to restrict Sri Lanka to 124 all out. Asanka Gurusinha, a century-maker in the second test against Australia, was the top scorer with 48.

Patrick Bouroux/Presse Sports

French Rally Driver Dies in Morocco

A Russian rider pushing the motorbike of the Belgian rider Georges Jobbs, on the ground, after a bad fall in the 18th Granada/Dakar rally. Another rally participant, Laurent Gueguen of France, was killed Wednesday in an accident that injured two others. His teammates, Pascal Loudenot and Vincent Baudin, are reported to be in satisfactory condition. Rally organizers said Gueguen's truck caught on fire, trapping him inside on the stage between Foum El Hassan and Smara in Morocco. French television reported that the truck hit a mine off the main road of the race. Mines were planted during the Morocco-Western Sahara war that ended in 1990.

Which Goalie? Either One For Streaking Chicago

The Associated Press

Ed Belfour and Jeff Hackett are both having great seasons for the Chicago Blackhawks.

So when it came time for coach Craig Hartsburg to pick one to start in goal Tuesday night in Boston against the

NHL ROUNDUP

streaking Bruins, it was an easy choice. Either one.

"We've got total confidence in both goaltenders," Hartsburg said after a 5-2 victory over the Bruins with Belfour in the net. "We don't worry that if we don't play one, he's going to get cold."

While Belfour is generally considered the Blackhawks' No. 1 goaltender, Hacket, the second-stringer, has won eight consecutive games to tie Tony Esposito's club record.

In the only other National Hockey League game Tuesday night, Calgary bombed Tampa Bay, 10-0.

Bob Probert, Chris Chelios and Bernie Nicholls scored in a 3:14 span early in the third period to extend the Blackhawks' unbeaten streak to nine games (8-0-1). The Bruins' unbeaten streak ended at six games.

"The goalies weren't a factor," Chelios said. "We threw a lot of pucks in the net."

So it doesn't matter who plays goal, right?

"I don't know about that," Chelios said, interrupting an interview with Belfour. "Eddie made some pretty good saves back there."

Belfour credited the victory to his defense, which held the Bruins to 21 shots — three in the second period — and no power-play opportunities.

Flames 10, Lightning 0 In Calgary, Theoren Fleury had three goals and an assist as the Flames rolled past Tampa Bay. Fleury assisted on Phil Housley's 12th goal and scored himself in the first period, then added goals in each of the second and third periods to complete the rout. Fleury's 18th goal of the season capped a five-goal third period for the Flames, who led 2-0 after one period and 5-0 after two. The Flames scored their 10 goals on just 28 shots, making it an easy night for their goaltender, Trevor Kidd.

SPORTS

Key Injuries Sink Knicks And Bullets

The Associated Press

The New York Knicks cannot win without Patrick Ewing. The Washington Bullets, without Chris Webber, saw their three-game winning streak end.

But the hapless Philadelphia 76ers beat the Lakers, 90-89, at the Forum de-

NBA ROUNDUP

the absence of Derrick Coleman, out with a sprained ankle.

Ewing missed his third game since spraining his ankle, and the Knicks fell to Portland, 101-92. Webber missed his second game since straining his shoulder as the Bullets were beaten by Cleveland, 108-100.

"We don't have any sympathy for them. We've been forced to play through injuries for the five years that I've been here," said Terrell Brandon, the Cavaliers guard.

The 76ers snapped an 11-game losing streak at the Forum that stretched back to the 1984-85 season, when Julius Erving and Moses Malone were in the team and Charles Barkley was a rookie. Vernon Maxwell scored 22 for Philadelphia.

Trail Blazers 101, Knicks 92 New York has dropped three straight, all since Patrick Ewing went down, and four of its last five. Aaron McKie scored 24 points and Cliff Robinson and Rod Strickland had 22 apiece as Portland ended a seven-game road losing streak.

Cavaliers 108, Bullets 100 Danny Ferry scored half of his 20 points in the third quarter as Cleveland ended the Bullets' six-game home winning streak.

Brandon had 27 points and 10 assists for the Cavaliers, who have won four straight and eight of nine. The Washington rookie Rasheed Wallace led his team with a season-high 20 points.

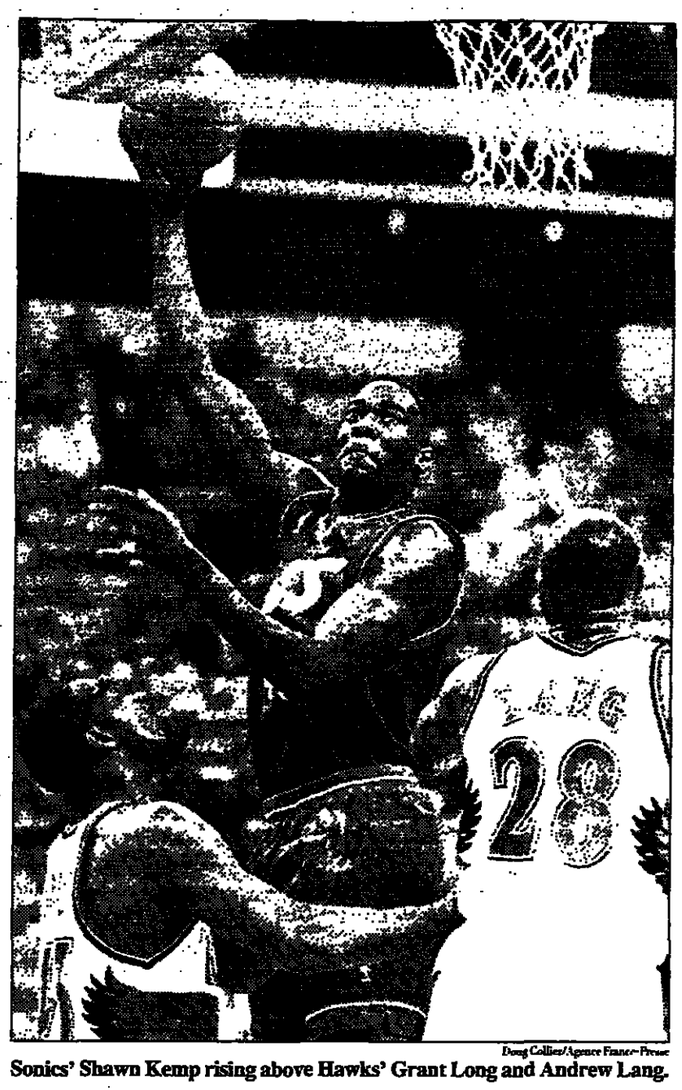
Nets 81, Bucks 72 Shawn Bradley had his best game since being traded to New Jersey, getting 17 points, 14 rebounds and seven blocks for the Nets. The win snapped a four-game home losing streak for New Jersey, which had dropped eight of its previous nine games.

Sonics 111, Hawks 88 Seattle ran its winning streak to six by winning in Atlanta. Frank Brickowski had a season-high 21 points, and Andrew Lang scored a career-high 29 for Atlanta.

Rockets 105, Timberwolves 100 Sam Cassell scored 15 of his 25 points in the fourth quarter for Houston. Hakeem Olajuwon added 28 as the visiting Rockets won their fourth in a row.

Jazz 102, Mavericks 92 Karl Malone had 29 points and 13 rebounds in hot-shooting Utah's victory over Dallas. John Stockton had 18 points and 15 assists, with six of each in the fourth quarter.

Pacers 102, Nuggets 87 Veterans Ricky Pierce and Eddie Johnson fueled a 16-2 run early in the final period to send Indiana past Denver.



Doug Collier/Agence France-Presse

Sonics' Shawn Kemp rising above Hawks' Grant Long and Andrew Lang.

Rodman Can Make Bulls Great

Chicago's Big Gamble Is Paying Off – for Now

By Ira Berkow
New York Times Service

CHICAGO — Before Jerry Krause, the general manager of the Bulls, made the trade with the San Antonio Spurs to obtain Dennis Rodman, Krause and his coach, Phil Jackson, met with Rodman for two days last summer in Chicago.

"I said to Dennis, 'I don't care how many things you have in your ears, we just expect you to follow the few basic rules of the team,' " Krause said.

If Rodman, the rebounder nonpareil and exhibitionist extraordinaire, could do so, Krause and Jackson believed he could be the answer to the Chicago Bulls' quest for another National Basketball Association championship. Jackson was concerned about something else. What kind of team player on a team built on selfless play might Rodman be?

Among other stories, Jackson had heard this one: In a big playoff game last season against Houston, the Spurs' star center David Robinson was having a terrible time trying to defend the Rockets' center, Hakeem Olajuwon. Robinson asked Rodman to help him by double-teaming Olajuwon. Rodman refused. "You're the MVP in the league," Rodman told Robinson. "You're supposed to be able to guard him."

Bob Hill, the Spurs' coach, acknowledged a problem. "Dennis didn't like to help out on defense," he said.

"They didn't back me up," Rodman said of his Spurs' teammates. "So why should I back them up?"

Rodman was referring to the troubles he had at San Antonio, where he was suspended a few times by management for such antics as refusing to practice, not traveling with the team and other acts of noncompliance or defiance.

Teammates, management and coaches called him "a distraction." He seemed more interested in bleaching his hair from pink to orange to green; in painting his fingernails black for Halloween, in finding space for adding tattoos to his psychedelic body, and adding rings to his pierced ears, nose, navel and scrotum.

Some things change, some things remain the same, but Rodman has become an integral part of the best team in basketball, fulfilling the fondest expectations of Krause and Jackson, not to mention Michael Jordan and Scottie Pippen.

Rodman has added the element they have needed, and the Bulls are on pace to become the first team in NBA history to win 70 games in the regular season. Their 25-3 is easily the best record in the NBA. It resumed play after a brief New Year break against the reigning champion, Houston, in Chicago, on Wednesday.

Rodman told Jackson and Krause last summer that he would follow the rules, and for the most part he has. He has never been late for practice, rides the team bus and has double-teamed when asked. He has been stunning in some games, as in the Bulls' last game, a 95-93 victory over Atlanta on Saturday, when he pulled down 21 rebounds.

"Rodman is a much smarter player than a lot of people give him credit for," Jordan said. "He studies the game, even to the angles of the rebounds."

WITH five-and-a-half months left in the season, including 10 weeks of playoffs, it is premature to call these Bulls the best team ever — better than Magic's Lakers or Russell's Celtics — yet some come close.

"This team is special," said Larry Brown, the coach of the Indiana Pacers. Jerry Sloan of Utah said the Bulls are "a great, great team" and "making the game look easy."

"If we keep going like this," Krause said, "we have a chance for a pretty good season."

Jackson has another standard: the Knicks of the 1970s, a team that epitomized unselfish play and an "awareness which is the seed of compassion."

It is Jackson's theory, based on such thoughtful predecessors as Buddha, Lao-Tzu and Red Holzman, that a coach's main job — as he described in his recently published book, "Sacred Hoops: Spiritual Lessons of a Hardwood Warrior" (Hyperion) — is to "reawaken" a spirit in which "the players can blend together effortlessly."

This selflessness is what the early 1970 Knicks, the two-time NBA champion Knicks, of Reed and DeBusschere and Bradley and Frazier (and a gangly, square-shouldered substitute forward named Phil Jackson) had; it is what the Bulls of the early 1990s had — which led to three straight NBA titles — and what Jackson is convinced is necessary for the Bulls of 1995-96 to win again.

Jackson has a nice starting point in Jordan and Pippen, who Brown calls "the two best perimeter players in the league." Who have, for the most part, embraced selfless play.

Newer players such as Luc Longley and Bill Wennington, centers, and Ron Harper and Steve Kerr, guards, and Toni Kukoc, the all-purpose reserve, have, in their way, learned to fit in. But it is Rodman who may ultimately make the championship difference.

Rodman respects the toughness and drive of Jordan and Pippen. ("These guys," said Rodman, "really want to win.") He is also on the last year of his contract and, as he said, "Dennis Rodman had no other options."

But the way Jackson has dealt with Rodman is also crucial.

"Phil gives you a confidence and a comfort zone," Rodman said. "He lets you be who you are. He knows I'm not going to sell out to anybody, that I'm not going to be a puppet in this league, that I'm still going to be Dennis Rodman. Phil knows what he wants and he's direct, but he'll give you that little sarcastic smile that kind of takes the edge off it."

"Dennis," said Jackson, "always likes to push one step more toward the limit. He always seems to be testing you. We have a rule that we practice the way you play in a game. There is an NBA rule that prohibits the wearing of jewelry in a game. So we have that rule in practice. One day Dennis comes in wearing a leather thong around his neck. I said, 'Dennis, by any chance is there jewelry on that leather thong.' He smiled, and said yes. He showed me a small crucifix. 'I think it's gotta come off,' I said. He put it down on a table. 'And we appreciate the opportunity to see jewelry. So the fine will only be $20.' "

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Orlando	23	6	.793	—
New York	19	10	.655	4
Miami	15	13	.536	7½
Washington	15	14	.517	8
Boston	12	16	.429	10½
New Jersey	11	17	.393	11½
Philadelphia	6	22	.214	16½

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	25	3	.893	—
Cleveland	16	12	.571	9
Indiana	16	12	.571	9
Detroit	15	14	.517	10½
Charlotte	14	16	.467	12
Atlanta	13	16	.448	12½
Milwaukee	10	18	.357	15
Toronto	9	21	.300	17

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	23	8	.742	—
San Antonio	19	8	.704	2
Utah	21	9	.700	1½
Denver	13	17	.433	9½
Dallas	8	20	.286	13¼
Minnesota	7	21	.250	14½
Vancouver	5	25	.167	17½

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	21	8	.724	—
Sacramento	17	9	.654	2½
L.A. Lakers	16	16	.500	6½
Phoenix	13	14	.481	7
Portland	13	17	.433	8½
Golden State	12	17	.414	9
L.A. Clippers	11	19	.367	10½

TUESDAY'S RESULTS

Portland 28 27 18 28—101
New York 18 27 26 21— 92
P: C.Robinson 6-13 7-10 22; McKie 9-11 5-7 24; Strickland 9-16 3-8 22. N.Y.: Oakley 7-10 3-5 17; Harper 9-19 2-4 22. Rebounds—Portland 60 (Dudley 11), New York 45 (Oakley 15). Assists—Portland 19 (Strickland 7), New York 18 (Starks, Mason, Harper 4).

Milwaukee 25 21 15 11—72
New Jersey 19 28 22 28—81
M: Robinson 5-20 0-0 10; Baker 5-17 0-0 10. N.J.: Gillam 7-15 1-2 15; Bradley 4-11 9-10 17. Rebounds—Milwaukee 54 (Baker 11), New Jersey 62 (Bradley, Gillam 14). Assists—Milwaukee 20 (Robinson 5), New Jersey 17 (Anderson 8).

Cleveland 17 32 31 28—108
Washington 21 24 27 28—100
C: Mills 9-15 1-2 20; Ferry 7-12 3-4 20; Brandon 9-17 7-7 27. W: Howard 8-21 3-4 19; Wallace 9-12 1-1 20. Rebounds—Cleveland 38 (Cage 8), Washington 40 (Muresan 12). Assists—Cleveland 23 (Brandon 10), Washington 24 (Pack 8).

Seattle 22 34 24 31—111
Atlanta 20 19 27 22— 88
S: Hawkins 8-12 0-0 19; Brickowski 7-10 5-7 21. A: Long 14-19 1-2 29; Blaylock 6-11 0-0 16. Rebounds—Seattle 44 (Kemp 12), Atlanta 50 (Long 11). Assists—Seattle 29 (McMillan, Payton 6), Atlanta 20 (Smith 5).

Houston 24 23 24 34—105
Minnesota 19 26 26 29—100
H: Olajuwon 12-21 4-4 28; Cassell 8-19 8-8 25. M: Guglliotta 11-19 2-2 25; Rider 7-14 4-4 18. Rebounds—Houston 47 (Olajuwon 11), Minnesota 46 (Guglliotta 17). Assists—Houston 32 (Olajuwon, Cassell 8), Minnesota 30 (Porter 15).

Utah 29 15 26 32—102
Dallas 23 25 20 24— 92
U: Malone 13-22 3-7 29; Stockton 8-11 2-4 18. D: Kidd 6-13 7-10 23; Jackson 10-18 3-3 23. Rebounds—Utah 48 (Corr, Morris 7), Dallas 42 (Jones 9). Assists—Utah 27 (Stockton 15), Dallas 19 (Kidd 9).

Indiana 30 21 21 30—102
Denver 16 21 26 24— 87
I: Jackson 4-7 6-6 15; Miller 5-11 1-1 15. D: McDyess 9-16 3-4 21; Stith 3-12 5-5 12. Rebounds—Indiana 45 (McKey 7), Denver 52 (McDyess 10). Assists—Indiana 20 (Jackson 4), Denver 20 (D.Ellis, Abdul-Rauf 5).

Philadelphia 14 32 22 21— 90
L.A. Lakers 27 20 24 18— 89
P: Stackhouse 9-21 2-3 20; Maxwell 7-15 6-6 22; Ruffin 9-12 0-0 20. L.A.: Cebollos 6-17 2-2 15; Van Exel 11-21 4-4 27. Rebounds—Philadelphia 54 (Weatherspoon 13), Los Angeles 48 (Divac 14). Assists—Philadelphia 25 (Stackhouse 7), Los Angeles 23 (Van Exel 9).

Top 25 College Results

How the top 25 teams in The Associated Press' college basketball poll fared Tuesday: 4, Kansas (8-1) beat Cornell 100-46. Next vs. East Tennessee State, Thursday. 8, Villanova (11-1) beat Notre Dame 76-57. Next vs. No. 24 Boston College, Saturday. 12, Wake Forest (7-1) beat Furman 81-49. Next at Florida State, Saturday. 15, Utah (9-2) beat Brigham Young 83-77. Next vs. Fresno State, Monday. 25, New Mexico (10-1) lost to Fresno St. 76-75. Next at Air Force, Thursday.

MAJOR COLLEGE SCORES

Alcorn St. 110, Faith Baptist 60
Brown 60, Northwestern 56
Buffalo 60, Youngstown St. 56
Cal Poly-SLO 74, Simon Fraser 69
Coll. of Charleston 72, Coastal Carolina 52
Colorado Mines 63, CS Northridge 59
Davidson 93, Lafayette 68
Evansville 82, Fla. International 75
Fairfield 95, Wagner 86
Florida A&M 71, Bryan 68
Florida Atlantic 70, Columbia 58
Harvard 49, Navy 48
Hawaii 63, Wyoming 53
Houston 88, Texas Lutheran 66
Iowa St. 77, Coppin St. 59
Jackson St. 72, Belhaven 57
Kansas St. 76, Wichita St. 54
Liberty 84, King, Tenn. 55
Marquette 98, Morgan St. 58
Middle Tenn. 65, Wis.-Parkside 64
Mo.-Kansas City 66, Cent. Connecticut St. 59
Montana 74, Black Hills St. 62
N. Carolina St. 102, W. Carolina 71
N.C.-Greensboro 67, St. Francis, Pa. 47
Old Dominion 62, St. Josephs 60
Rhode Island 81, St. Marys, Cal. 74
San Diego 67, N. Arizona 60
San Diego St. 87, Colorado St. 67
San Francisco 85, CS Stanislaus 70
San Jose St. 88, Cal St.-Fullerton 77
Seton Hall 82, Providence 77
Texas A&M 79, Ill.-Chicago 62
Texas-El Paso 53, Air Force 48
Tulsa 57, Oklahoma St. 53
UC Irvine 72, Pacific 54
Valparaiso 80, Chicago St. 62
Washington 76, Colorado 68
W. Illinois 98, Troy St. 95

FOOTBALL

The AP Top 25

The Top Twenty Five teams in The Associated Press' final college football poll, with first-place votes in parentheses, records, total points based on 25 points for a first-place vote through one point for a 25th-place vote, and previous ranking:

	Record	Pts	Pv
1. Nebraska (62)	12-0-0	1,550	1
2. Florida	12-1-0	1,474	2
3. Tennessee	11-1-0	1,428	4
4. Florida St.	10-2-0	1,311	8
5. Colorado	10-2-0	1,309	7
6. Ohio St.	11-2-0	1,161	4
7. Kansas St.	10-2-0	1,147	10
8. Northwestern	10-2-0	1,124	3
9. Kansas	10-2-0	1,029	11
10. Virginia Tech	10-2-0	1,015	13
11. Notre Dame	9-3-0	931	6
12. Southern Cal	9-2-1	886	17
13. Penn St.	9-3-0	867	15
14. Texas	10-2-1	724	9
15. Texas A&M	9-3-0	661	19
16. Virginia	9-4-0	603	18
17. Michigan	9-4-0	474½	14
18. Oregon	9-3-0	416	12
19. Syracuse	9-3-0	382	—
20. Miami	8-3-0	352	22
21. Alabama	8-3-0	313	21
22. Auburn	8-4-0	276	16
23. Texas Tech	9-3-0	197	—
24. Toledo	11-0-1	170	25
25. Iowa	8-4-0	133½	—

Others receiving votes: East Carolina 111, Washington 36, LSU 33, North Carolina 16, Clemson 12, Arkansas 8.

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
N.Y. Rangers	25	11	6	56	150	115
Florida	25	10	2	52	134	92
Philadelphia	22	11	6	50	141	100
Washington	19	15	3	41	106	95
Tampa Bay	16	16	6	38	109	130
New Jersey	15	19	4	34	96	101
N.Y. Islanders	9	22	6	24	105	141

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Pittsburgh	24	10	3	51	183	117
Montreal	19	16	2	40	110	111
Buffalo	16	19	3	35	113	125
Boston	15	15	5	35	126	131
Hartford	11	21	5	27	91	122
Ottawa	8	28	1	17	88	147

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	27	7	2	56	138	75
Chicago	20	12	8	48	137	114
Toronto	20	13	6	46	123	109
St. Louis	16	17	5	37	100	102
Winnipeg	16	19	3	35	134	142
Dallas	10	18	7	27	90	112

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	22	11	5	49	157	109
Los Angeles	14	15	9	37	125	121
Vancouver	12	15	10	34	129	132
Anaheim	14	22	4	32	118	136
Edmonton	13	20	6	32	106	155
Calgary	12	21	7	31	116	134
San Jose	8	25	4	20	110	168

TUESDAY'S RESULTS

Chicago 1 1 3—5
Boston 1 0 1—2
First Period: B-Reid 12 (Moges, Beddoes). 2, C-Amonte 11 (Krivokrasov, Roenick). Second Period: C-Daze 18 (Craven, Ulanov). Third Period: C-Probert 8 (Savard, Chellos). 5, C-Chellos 8 (Amonte, Shantz). 6, C-Nichalls 4 (Craven, Ulanov) 7, B-Elik 3 (Reid, Chynoweth). Shots on goal: C- 15-8-8—31. B-8-3-10—21. Goalies: C-Belfour. B-Billington, Bailey.

Tampa Bay 0 0 0—0
Calgary 2 3 5—0
First Period: C-Housley 12 (Kennedy, Fleury). 2, C-Fleury 16 (Nylander, Patrick) (pp). Second Period: C-Millen 5 (Huscroft). 4, C-, Housley 13 (Millen). 5, C-Fleury 17 (Tikov) (pp). Third Period: C-Kruse 2 (Housley, Nylander). 7, C-Zalapski 6 (Nylander, Housley) (pp). 8, C-, McCarthy 4. 9, C-Stillman 8 (Patrick, Nylander). 10, C-Fleury 18. Shots on goal: T- 13-12-7—32. C- 7-9-12—28. Goalies: T-Puppa, Bergeron. C-Kidd.

SOCCER

ENGLISH PREMIER LEAGUE

Newcastle 2, Arsenal 0
Queens Park Rangers 1, Chelsea 2

STANDINGS: Newcastle 48 points, Manchester United 41, Liverpool 38, Tottenham 38, Aston Villa 35, Arsenal 34, Nottingham Forest 34, Middlesbrough 33, Everton 32, Blackburn 32, Leeds 32, Chelsea 32, Sheffield Wednesday 25, West Ham 23, Wimbledon 21, Southampton 20, Coventry 19, Manchester City 19, Queens Park Rangers 18, Bolton 10.

CRICKET

WORLD SERIES

WEST INDIES VS. SRI LANKA
WEDNESDAY, IN HOBART

West Indies Innings: 194 (48.2 overs)
Australia Innings: 124 (37.4 overs)
Result: West Indies won by 70 runs.

FIFTH TEST
ENGLAND VS. SOUTH AFRICA, 2D DAY
WEDNESDAY, IN CAPE TOWN

England 1st Innings: 153
South Africa 1st Innings: 244 (all out)

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

BALTIMORE—Named Don Welke special assignment scout; Ross Grimsley pitching coach for Rochester, IL.; Joe Ferguson manager at High Desert, CL.; and Tom Trebelhorn minor-league coordinator of instruction.

DETROIT—Agreed to terms with Eddie Williams, 1st baseman, on 1-year contract.

NATIONAL LEAGUE

CINCINNATI—Agreed to terms with Barry Larkin, shortstop, on 3-year contract extension through 1999; and Eric Davis, outfielder; Brook Fordyce and Don Slaught, catchers; Bryan Hickerson, Rich Rodriguez and Jeff Shaw, pitchers; and Roberto Mejia, infielder, on minor-league contracts.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ATLANTA—Released Kevin Ross, strong safety.

PITTSBURGH—Signed Chris George, wide receiver, to practice squad.

SAN FRANCISCO—Signed Tim Jorden, tight end.

HOCKEY

NATIONAL HOCKEY LEAGUE

BOSTON—Sent Mark Cornforth, defenseman, to Providence, AHL. Recalled Scott Bailey, goaltender, from Providence.

FLORIDA—Sent Bob Kudelski, right wing, to Carolina, AHL.

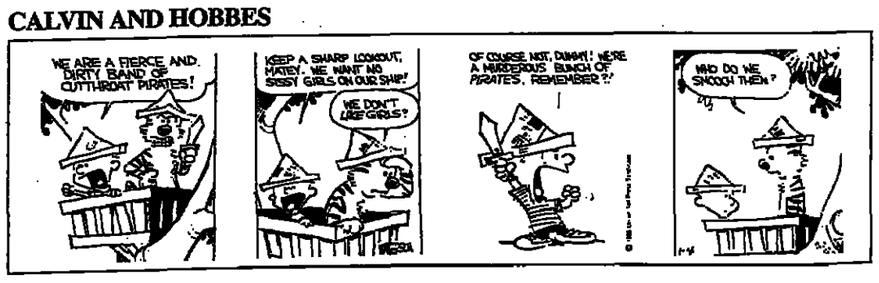
MONTREAL—Reassigned Louis Bernard, defenseman, and David Grenier, left wing, to Wheeling, ECHL.

N.Y. RANGERS—Called up Jamie Ram, goaltender, from Binghamton, AHL. Assigned Rick Willis, left wing, from Binghamton to Charlotte, ECHL.

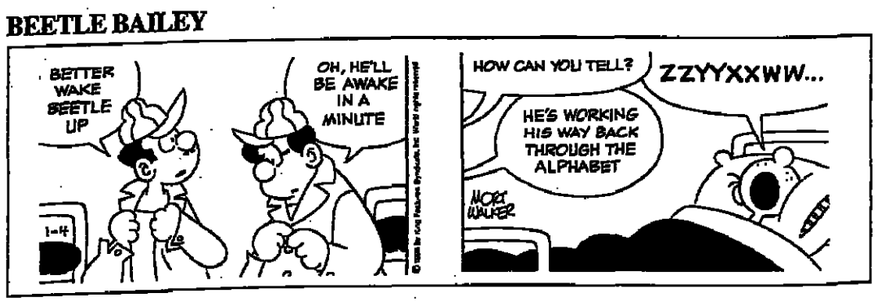
DOONESBURY

WIZARD of ID

CALVIN AND HOBBES



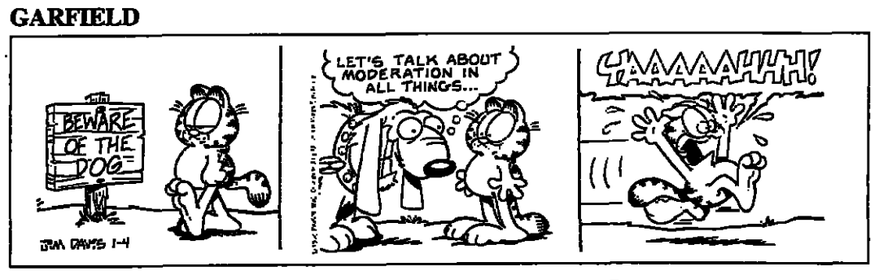
BEETLE BAILEY



BLONDIE

PEANUTS

GARFIELD



JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SHECS

ZYIZD

GRECLY

TARBEN

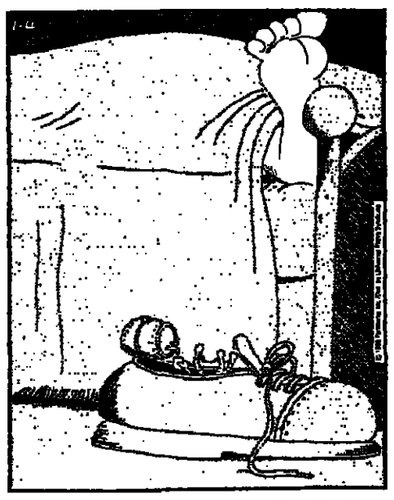
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here : ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: BORAX QUEST BUCKLE POTTER
Answer: The detectives considered the school vandalism a—TEXTBOOK CASE

THE FAR SIDE



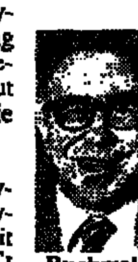
The kegger lasted well into the night, and on the following morning Dale thrust his foot into a nest of cranky, hung-over, stimulus-response scorpions.

ART BUCHWALD

Generation E-Mail

WASHINGTON — A few of us were sitting around the living room of Neal Grunstra's house discussing the lack of youthful political energy in this country.

"How can Congress shut down the government twice without anybody wanting to do something about it?" Bonnie Kyte asked.



Buchwald

"Why would anybody do anything ab-out it if it doesn't involve O.J. Simpson?" Carolyn Ehrler said.

Grunstra claimed he knew why there was no one in the streets. "Our children only go out to find a movie. They won't march on Washington or stage sit-ins in the Capitol. They can't stand pain."

Michael Kappaz agreed. "When the Vietnam War became ridiculous, all of us in this room were screaming for the president to quit and the Congress to resign.

"There were riots, arrests and protest banners hanging from buildings. Our government heard us loud and clear.

"Now the legislators shut down their own capital and there isn't one kid screaming for their hides."

"Why?" I said. "Why?"

At that moment Cara Bobchek walked through the living room with a Walkman plugged into her ears.

"Cara," Neal asked, "why won't your generation go out in the streets to protest the government shutdown?"

□

She looked puzzled. "What government?"

Neal yelled, "The American government. It's been shut down, and in most countries the youth would be demonstrating in the streets and calling for their leaders' heads."

Cara said, "I can't do that. I have to listen to the new Beatles CD."

Joanie Bishow said, "Doesn't your generation care about anything but yourselves?"

"Of course, we do," she replied. "We care about having a car. If our parents won't give us one, then we'll have something to demonstrate about."

□

Rick Bishow said, "In France the students were in the streets and they forced the prime minister to cave in on economic reforms. The least you could do is raise some hell when your representatives don't know up from down."

"I would, but I have to go to a party at Russell Eckel's house. His mother has invited a bunch of girls home from Sweetbriar for the holidays," Cara explained.

Bonnie said, "Well, I guess we can't count on your generation to save the country."

"Why should we go out in the streets and demonstrate when we can stay home and do it all by e-mail?"

Honors Anew for Drake

Agence France-Presse

LONDON — One of England's greatest seafaring heroes, Sir Francis Drake, is to be honored with an exhibition coinciding with the 400th anniversary of his death at the National Maritime Museum starting Jan. 28

Turning Back the Clock in Search of Picasso

By Alan Riding
New York Times Service

PARIS — The Brasserie Lipp's last diners had barely shuffled out into the chill of a strikebound Paris at 1:30 one recent morning when the famous Left Bank hangout suddenly came alive again.

Tables were quickly reset, wine bottles were opened, and new guests arrived, this time 75 movie extras, the men dressed in dashing corduroy and tweed suits, the women in fur coats and satin dresses, with flowery hats balanced precariously on headfuls of curls.

The large clock was turned back to read 8:30 P.M. It was also turned back 50 years to postwar Paris.

On cue, Pablo Picasso, the reigning prince of Saint-Germain-des-Prés, appeared with two of the many women who peopled his life, Dora Maar and Françoise Gilot.

Lipp was noisy and crowded, and Picasso, in the stocky shape of Anthony Hopkins, clearly enjoyed being recognized. But Picasso's mind was elsewhere. He wanted to change his chief mistress, replacing the older Dora, played by Julianne Moore, with Françoise, played by Natascha McElhone.

But first Françoise wanted Dora's pledge that Dora's long affair with Picasso was over. So he took them both to dinner and, as always, got his way.

Well, almost always. Françoise was indeed drawn into his web, but a decade or so later she became the only one of Picasso's lovers to escape, if not unscathed, at least sane enough to enjoy a rich and full life without him.

She told her story in her 1964 book, "Life With Picasso," and in a sense it is retold in "Surviving Picasso," the latest Merchant-Ivory film, just completed in Paris and due in theaters next fall.

In the film, though, Picasso still has the last word. As both creative genius and tyrannical human being, he was such a giant — *un monstre*, as the French put it — that his personality once again prevails.

The film is being produced for Warner Brothers by David Wolper as well as Ismail Merchant, with James Ivory as director and a screenplay by Ruth Prawer Jhabvala. It covers the period from 1943, when Françoise met Picasso, to 1953, when she finally walked out on him, taking their two children, Claude and Paloma.

But Picasso's other women are also very much present: his abandoned first wife, the dancer Olga Koklova (Jane Lapotaire); Dora Maar, a Yugoslav painter; the ever-loyal Marie-Thérèse Walter (Susannah Harker), and his second wife, Jacqueline Roque (Diane Venora).

Biographical movies about creators have rarely focused on their acts of creativity because their lives — visually, at least — were more interesting. "How often can you take shots of the artist doing something with a chisel and a piece of marble?" Ivory asked, sipping coffee at Lipp before the evening's work began. "What's interesting is how their lives shaped their art, what caused the art to be the kind of thing that it was."

In this case, as it happens, the Merchant-Ivory-Jhabvala team had little choice. Gilot, 74, who now lives in New York, disliked the screenplay and refused to cooperate with the film. While she was unable to prevent it from being made, her son, Claude, who administers the Picasso estate for the rest of the family, decided that no Picasso paintings or reproductions could be shown in the movie.

"For higher reasons of state, you might say, the Picassos decided it was not a good idea to make a film about Picasso," Ivory said. "We now know that it's simply because Claude Picasso himself wanted to make a film about Picasso."

Claude Picasso and Gilot refused further comment on the matter, although Ivory said he still hoped the ban would be lifted.

Locations for the $16 million film posed no such problem. Beach scenes and other sunny exteriors were shot in the south of France, where Picasso is also shown meeting Matisse. A version of Picasso's studio on Rue des Grands-Augustins was built at Pinewood Studios outside London.

Ivory was even allowed to take over the Place de la Concorde one Sunday morning in August, somehow managing to shoot scenes of both the German occupation and the liberation of Paris between dawn and 11 A.M.

"We had 400 German soldiers and a marching band and then American soldiers being mobbed by Parisians, all in one day," he recalled.

There was also ample material available to Jhabvala, whose film credits include the screenplay adaptations for Merchant-Ivory's award-winning movies "Howards End" and "The Remains of the Day." Gilot would not sell the rights to "Life With Picasso," but Warner, which first suggested the Picasso idea to Merchant-Ivory, already owned the rights to Arianna Stassinopoulos Huffington's 1988 biography, "Picasso: Creator and Destroyer."

This included lengthy interviews with Gilot as well as details of the artist's turbulent love life.

Jhabvala also tapped other biographies, including that of Brassaï, the legendary photographer. She believes her script is largely true to Picasso's life during his years with Ms. Gilot.

Certainly, women were always important to his art.

"Each served as his muse and was then discarded," Ivory noted. "Each gradually ceased to interest him very much, except in a kind of negative way. And as his love for her faded, as her influence on him became a negative one, an irritating one, his paintings reflected that. That Picasso created an emotional disaster zone around himself is well known.

Seth Rubin/Merchant Ivory Productions

Natascha McElhone as Gilot and Anthony Hopkins as Picasso.

Outside the period of this movie, Olga and Dora became mentally unbalanced before they died of natural causes. Marie-Thérèse, with whom Picasso had a daughter, Maya, hanged herself in 1977, four years after the artist's death. Jacqueline shot herself in 1986. Paulo, Picasso's son with Olga, was an alcoholic much of his life and died in 1975. Paulo's son, Pablito, committed suicide by drinking bleach two years earlier.

So what was Picasso's appeal? Hopkins, 57, who shed 25 pounds after playing Oliver Stone's Nixon, said it had taken him time to "feel" Picasso physically.

"I looked at lots of photographs of him and what film there is and tried to get the spirit of the man," he said during a break in filming. "He was full of energy and life. In the photographs, you see he was the maestro, the master of everyone around him. He was probably the classic male chauvinist pig, he treated women abominably, yet he was an incredible man. I'm sure I would have been seduced by him, taken into his aura. I think people who generate such energy and color in their lives are seductive, like flames. You get a great sense of power from it."

Whether Picasso's genius will be visible through this warts-and-all portrayal of his life has still to be seen. For Ivory, though, the film has completed a circle in his life.

In the late 1940s, he was an art student at the University of Oregon where, he said, "Picasso's influence was all-pervasive." When he first came to Paris in 1950, he was therefore dismayed not to find Picasso sitting in the Café de Flore, across from the Brasserie Lipp.

At long last, the art-student-turned-director has been able to place Picasso exactly where he should have been sitting 45 years ago. In this case, art was able to correct life.

WEATHER

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	16/61	11/52 sh	20/68	13/55 pc
Amsterdam	0/32	-2/29 c	1/34	-1/31 c
Ankara	8/46	0/32 i	7/44	-3/27 pc
Athens	12/53	6/43 c	10/50	6/43 pc
Barcelona	15/59	8/46 pc	17/62	11/52 pc
Belgrade	1/34	-2/29 sn	3/37	-3/27 pc
Berlin	-1/31	-3/27 c	2/35	-2/29 pc
Brussels	4/39	0/32 s	4/39	1/34 pc
Budapest	-3/27	-8/18 sn	-2/29	-6/22 pc
Copenhagen	2/35	-1/31 pc	3/37	-1/31 pc
Costa Del Sol	18/64	12/53 c	21/70	13/55 pc
Dublin	10/50	5/41 sh	11/52	6/43 pc
Edinburgh	9/48	6/43 pc	8/48	6/43 pc
Florence	8/46	3/37 pc	11/52	5/41 pc
Frankfurt	0/32	-6/22 c	0/32	-3/27 pc
Geneva	8/46	1/34 s	7/44	3/37 pc
Helsinki	-9/16	-18/4 s	-8/18	-18/0 pc
Istanbul	9/48	5/41 sh	9/48	4/39 pc
Las Palmas	23/73	17/62 pc	24/75	18/64 pc
Lisbon	14/57	8/46 r	17/62	12/53 pc
London	12/53	6/43 s	11/52	6/43 pc
Madrid	11/52	4/39 r	14/57	7/44 pc
Milan	6/43	-1/31 s	7/44	2/35 s
Moscow	-4/25	-11/13 pc	-6/22	-12/11 pc
Munich	3/37	-5/24 pc	3/37	-2/29 pc
Nice	15/59	6/43 s	16/61	9/48 pc
Oslo	2/35	-3/27 s	1/34	-5/24 pc
Mallorca	13/55	9/48 pc	17/62	12/53 pc
Paris	11/52	4/39 pc	9/48	5/41 pc
Prague	-3/27	-8/18 pc	-4/25	-7/20 pc
Reykjavik	5/41	2/35 r	7/44	2/35 pc
Rome	11/52	4/39 s	13/55	6/43 pc
St. Petersburg	-11/13	-17/2 s	-11/13	-18/4 pc
Stockholm	-9/16	-17/2 s	-9/16	-15/6 pc
Strasbourg	7/44	-1/31 s	6/43	1/34 pc
Tallinn	3/37	-4/25 s	-1/31	-7/20 pc
Venice	6/43	1/34 pc	7/44	3/37 pc
Vienna	1/34	-4/25 pc	2/35	-2/29 pc
Warsaw	-1/31	-4/25 sn	0/32	-4/25 pc
Zurich	5/41	-2/29 s	4/39	0/32 pc

Oceania

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Auckland	25/77	18/64 pc	25/77	18/64 pc
Sydney	27/80	19/66 pc	27/80	19/66 pc

Forecast for Friday through Sunday, as provided by AccuWeather.

Jetstream — Unseasonably Cold — Unseasonably Hot — Heavy Rain — Heavy Snow

North America
A light to moderate snowfall is likely Friday from Chicago through Toronto to Washington, D.C., and New York City. Snow is possible again late in the weekend. Very cold from the northern and central Plains to New England. Stormy this weekend along the Gulf Coast.

Europe
Windy and rainy in London and Paris over the weekend. Occasional rain in Italy with rain or wet snow in Bosnia. Germany and Denmark will turn stormy by late in the weekend, but much of Scandinavia will be cold and dry. Showers will dampen Spain and Portugal, particularly northern sections.

Asia
Some rain and mountain snow will fall across Japan Friday into Saturday. Most of the Korean Peninsula, along with Beijing, will have dry weather, but rain will fall at times from Shanghai south through Hong Kong. Singapore will be typically warm and humid with a few thundershowers.

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	23/73	16/61 pc	25/77	15/59 s
Beirut	17/62	12/53 sh	18/64	11/52 pc
Cairo	17/62	8/46 pc	17/62	8/46 pc
Damascus	13/55	4/39 pc	14/57	3/37 s
Jerusalem	13/55	7/44 sh	14/57	7/44 pc
Luxor	27/80	6/43 s	22/71	4/39 pc
Riyadh	22/71	12/53 s	24/75	11/52 s

Africa

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algiers	19/66	13/55 s	18/64	13/55 pc
Cape Town	26/79	16/61 s	26/79	15/59 pc
Casablanca	19/66	9/48 r	22/71	13/55 pc
Harare	19/66	8/48 t	26/79	8/46 pc
Lagos	31/88	24/75 pc	32/89	24/75 s
Nairobi	25/77	11/52 pc	26/79	12/53 pc
Tunis	18/64	8/46 pc	16/61	8/46 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Bangkok	29/84	19/66 c	32/89	21/70 pc
Beijing	7/44	-6/22 s	4/39	-8/18 pc
Hong Kong	18/64	14/57 pc	19/66	14/57 pc
Manila	31/88	22/71 pc	33/91	23/73 pc
New Delhi	26/79	8/46 s	24/75	8/46 pc
Seoul	1/34	-7/20 pc	4/39	-6/22 pc
Shanghai	10/50	1/34 s	9/48	1/34 pc
Singapore	29/84	24/75 pc	29/84	24/75 pc
Taipei	21/70	11/52 s	21/70	13/55 pc
Tokyo	8/46	0/32 pc	12/53	1/34 pc

Latin America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Buenos Aires	31/88	17/62 pc	28/82	17/62 pc
Caracas	29/84	23/73 pc	29/84	24/75 pc
Lima	25/77	20/68 s	26/79	20/68 s
Mexico City	17/62	6/43 pc	19/66	6/43 pc
Rio de Janeiro	29/84	23/73 pc	29/84	23/73 pc
Santiago	27/80	13/55 pc	28/82	11/52 pc

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	-4/25	-16/4 pc	-9/16	-17/2 pc
Atlanta	5/41	-1/31 pc	8/46	-1/31 c
Boston	-4/25	-9/16 pc	-3/27	-8/18 pc
Chicago	-4/25	-12/11 c	-7/20	-13/9 sf
Denver	7/44	-14/7 s	-3/27	-12/11 pc
Detroit	-4/25	-12/11 pc	-5/24	-11/13 sf
Honolulu	29/84	21/70 pc	28/82	21/70 pc
Houston	20/68	6/43 s	15/59	6/43 pc
Los Angeles	23/73	9/48 s	23/73	9/48 pc
Miami	21/70	16/61 s	25/77	17/62 pc
Minneapolis	-8/18	-18/0 sf	-12/11	-18/0 pc
Montreal	-14/7	-18/0 sn	-13/9	-18/4 sf
Nassau	26/79	21/70 pc	27/80	20/68 pc
New York	-1/31	-6/22 pc	-2/29	-7/20 pc
Phoenix	22/71	8/46 s	20/68	8/46 s
San Fran.	14/57	8/46 c	14/57	8/46 pc
Seattle	4/39	2/35 c	7/44	4/39 r
Toronto	-9/16	-14/7 sf	-8/18	-13/9 sf
Vancouver	7/44	2/35 sh	7/44	1/34 sh
Washington	3/37	-7/20 s	2/35	-6/22 pc

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Last Snow	Comments
Andorra							
Pas de la Casa	40	60	Good	Open	Pwdr	2/1	fully open, runs good
Soldeu	20	80	Good	Open	Pwdr	2/1	95e open, good above midstation
Austria							
Ischgl	40	130	Good	Open	Pwdr	31/12	35 lifts open, lovely ski on firm base
Hintertux	20	210	Good	Closed	Var	1/1	16 lifts open, great skiing continues
Kitzbuhel	25	80	Good	Open	Var	1/1	63 lifts open, great skiing
Lech	50	80	Good	Open	Pwdr	1/1	34 lifts open, superb skiing
Obergurgl	80	110	Good	Open	Pwdr	1/1	all 22 lifts open, near perfect skiing
Saalbach	25	55	Good	Open	Var	1/1	60 lifts, good, patchy low down
Schladming	50	60	Good	Open	Pwdr	1/1	all lifts open, good ski above 1900m
St. Anton	20	170	Good	Open	Var	1/1	32 lifts open, superb ski continues
Canada							
Lake Louise	95	120	Good	Open	Pwdr	2/1	all 12 lifts open, fresh snow to enjoy
Whistler	35	140	Good	Open	Pwdr	31/12	25/26 lifts open, some lovely skiing
France							
Alpe d'Huez	90	220	Good	Open	Pwdr	2/1	68 lifts open, superb ski everywhere
Avoriaz	80	110	Good	Open	Pwdr	2/1	37/49 lifts open, much improved ski
Courchevel	65	100	Good	Open	Pckd	2/1	61/68 lifts open, great skiing, busy
Les Deux Alpes	50	230	Good	Open	Pwdr	2/1	53 lifts open, great skiing available
Méribel	35	85	Good	Some	Pckd	2/1	48 lifts open, lovely skiing
La Plagne	70	170	Good	Open	Pwdr	2/1	much improved ski after fresh snow
Tignes	95	140	Good	Open	Pwdr	2/1	39 lifts open, some excellent skiing
Val d'Isère	100	180	Good	Open	Pwdr	2/1	despite avalanche danger, great ski
Val Thorens	60	110	Good	Open	Pwdr	2/1	22 lifts open, some great skiing
Germany							
Berchtesgaden	30	110	Good	Open	Pckd	1/1	all 31 lifts open, great on upper runs
Garmisch	15	225	Good	Open	Pckd	1/1	34 lifts open, good ski on most runs
Italy							
Bormio	5	50	Fair	Closed	Var	30/12	15/16 lifts open, 40cm at 2000m
Cervinia	50	250	Good	Open	Pwdr	2/1	20/25 lifts open, superb at altitude
Cortina	20	65	Good	Open	Pckd	31/12	good skiing, icy/worn lower down
Courmayeur	40	100	Good	Closed	Var	31/12	20/23 lifts open, good on most runs
Livigno	25	35	Fair	Open	Pckd	31/12	27/30 lifts open, good ski, very cold
Norway							
Geilo	40	40	Fair	Open	Art	29/12	7 lifts open, reasonable, very cold
Spain							
La Molina	15	60	Fair	Open	Pckd	2/1	8/10 lifts, icy/worn patch low down
Switzerland							
Champery	5	70	Good	Closed	Pckd	2/1	improved state, more snow needed
Crans Montana	20	110	Good	Closed	Var	2/1	36/42 lifts open, great ski at altitude
Davos	25	90	Fair	Some	Var	3/1	55 lifts, worn patches low down
Grindelwald	20	90	Good	Closed	Pckd	31/12	10 lifts open, good above midstation
Klosters	25	90	Fair	Open	Pckd	31/12	all 30 lifts open, runs enjoyable
St. Moritz	25	55	Fair	Some	Pckd	31/12	22 lifts, decent cover on most runs
Verbier	65	105	Good	Open	Var	2/1	31/39 lifts, new snow on hard base
Wengen	50	60	Good	Open	Pwdr	2/1	21 lifts, good but lowest runs patchy
Zermatt	15	90	Fair	Some	Var	31/12	28/73 lifts, icy/patchy lower down
U.S.							
Breckenridge	140	165	Good	Open	Pwdr	1/1	17 lifts and 122 runs open
Crested Butte	75	100	Good	Open	Pckd	1/1	11/13 lifts open
Killington	85	130	Good	Open	Pckd	27/12	19 lifts and 158 trails open
Mammoth	60	205	Good	Open	Pwdr	1/1	29/31 lifts open
Park City	75	125	Good	Open	Pwdr	1/1	14/14 lifts and 69 runs open
Telluride	115	105	Good	Open	Pwdr	1/1	all 10 lifts open
Vail	115	145	Good	Open	Pwdr	2/1	26 lifts and 4112 acres open

Key: L, U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art. Artificial snow.

Reports supplied by the Ski Club of Great Britain.

PEOPLE

The rock star **Madonna** has been ordered to appear at the trial of a man accused of stalking and threatening her, but her lawyer asked to have the defendant kept out of court if she testifies. A public defender, **John Myers**, said **Robert Dewey Hoskins**, who was shot by Madonna's bodyguard, has a right to confront all witnesses and certainly won't leave the courtroom when the star appears. The bearded, shaggy-haired defendant faces up to 10 years in prison if convicted of stalking, making terrorist threats and assault. He allegedly twice invaded her Hollywood Hills property, where he was shot in May. The judge, **Jacqueline Connors**, ordered the pop singer to come to court when the written motions will be argued. Madonna had been threatened with a $5 million bail if she failed to show up Tuesday, but the judge decided she wasn't needed during the first day of jury selection.

□

The Indian-born British writer **Salman Rushdie**, who has lived in hiding since an Iranian death edict was passed against him almost seven years ago, has won the annual Whitbread Prize for the best novel of 1995. Rushdie won the prize for "The Moor's Last Sigh." The Whitbread Prize carries a £2,000 ($3,800) award.

□

Il Duce may not have been much to look at, but his granddaughter certainly is. **Rachele Mussolini**, a granddaughter of the fascist dictator **Benito Mussolini**, has qualified to be a contestant in the Miss Italy beauty contest, officials on the jury said. However the 21-year-old sociology student, half sister of the neo-fascist member of Parliament **Alessandra Mussolini**, who also is known for her good looks, has not decided whether she will enter the final competition due in September. Rachele is the daughter of **Romano Mussolini**, the dictator's son, who fathered Alessandra in his first marriage with **Maria Scicolone**, the sister of the actress **Sophia Loren**.

□

America's leading lesbian magazine has changed its name under legal pressure. "Deneuve" announced that it has changed its name to "Curve" after the French actress **Catherine Deneuve** sued in France over the name. The five-year-old 45,000 circulation magazine's January/February 1996 issue will sport the new name even though its editors insist there was never any connection between its name and the actress. **Frances Stevens**, the magazine's publisher and founder, said the magazine's original name referred to "my first lover, the first person I ever fell in love with." She added, "Catherine pronounces her name de-NUHV and my lover's name is pronounced de-NOOVE." She said market research showed widespread acceptance of the new name.

The Associated Press

Madonna: Ordered to court.

□

"**Tiggy**" **Legge-Bourke**, 30, nanny to **Princes William and Harry**, has issued a warning to the British press against publishing "malicious lies" about her relations with them and their father, **Prince Charles**, whom she is currently accompanying on a Swiss skiing vacation. . . . Charles wasn't trying to seduce the press either. "How is the snow, sir?" asked a reporter. "Cold and white," came the frosty reply. . . . Accompanying the prince skiing is not an activity free of risk. One of the prince's bodyguards, **Superintendent Tony Parker**, has taken a tumble on the slopes and broke his leg. In 1988, the prince's skiing party was caught in an avalanche, and a friend of the prince was killed. . . One of the favored shops of Charles's estranged wife, **Princess Diana**, has said that she was secretly filmed last year by an employee using the store's high-tech surveillance cameras. The Daily Mirror said the tapes, shot as Diana shopped at Harvey Nichols near her Kensington Palace home, zoomed in at length on her. A store spokesman said the disclosure was "very embarrassing because the princess is one of our best customers."

□

The Berliner Ensemble, one of Germany's most prestigious theaters, is paying a daily eight-hour homage to its late artistic director **Heiner Müller** with contributions by actors and playwrights. The marathon in Berlin will end Jan. 9 when Müller, who died Saturday, would have turned 67.

□

Kevin Costner grabbed a garden hose and shovel to battle a fire whipped up near his beachfront home in Carpinteria, California, by a windstorm. "If he hadn't been there, it could have gotten pretty bad," said **Andy Rosenberger**, spokesman for the Santa Barbara County Office of Emergency Services. "He's a local hero in the neighborhood," Rosenberger added.

□

Arthur Ashe's widow says the tennis great never intended a statue of himself to stand on the city's historic Monument Avenue. **Jeanne Moutoussamy-Ashe** wrote in an opinion piece appearing in the Richmond Times-Dispatch that Ashe wanted his statue to stand in front of his proposed African-American Sports Hall of Fame. But after Ashe's death in 1993 from AIDS, plans for the hall bogged down over politics and financing, and city officials turned their attention to raising a statue along the avenue known for massive, ornate monuments to **Robert E. Lee**, **Stonewall Jackson** and other Confederates.

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